A0702
NRLF
2003/04
IGSL

UC-NRLF
D 2 609 201

# County of Contra Costa, California

## Comprehensive Annual Financial Report

## Fiscal Year Ended June 30, 2004

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY
JAN 11 2005
UNIVERSITY OF CALIFORNIA

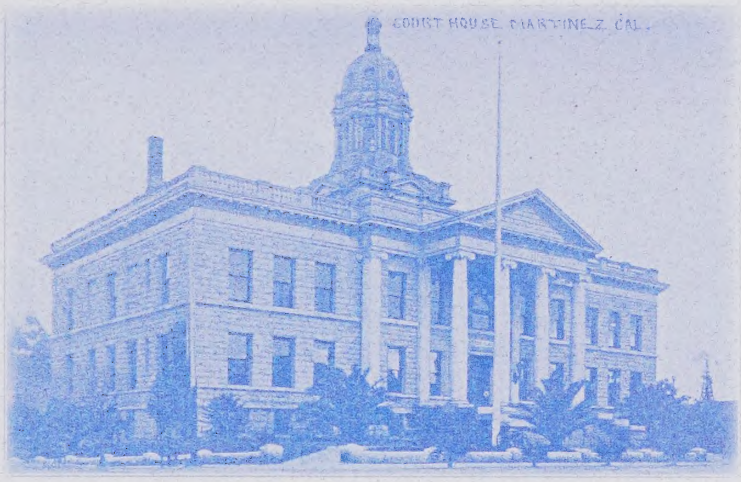
Stephen J. Ybarra, Auditor-Controller

CONTRA COSTA
COUNTY
CALIFORNIA

IGS

A0702

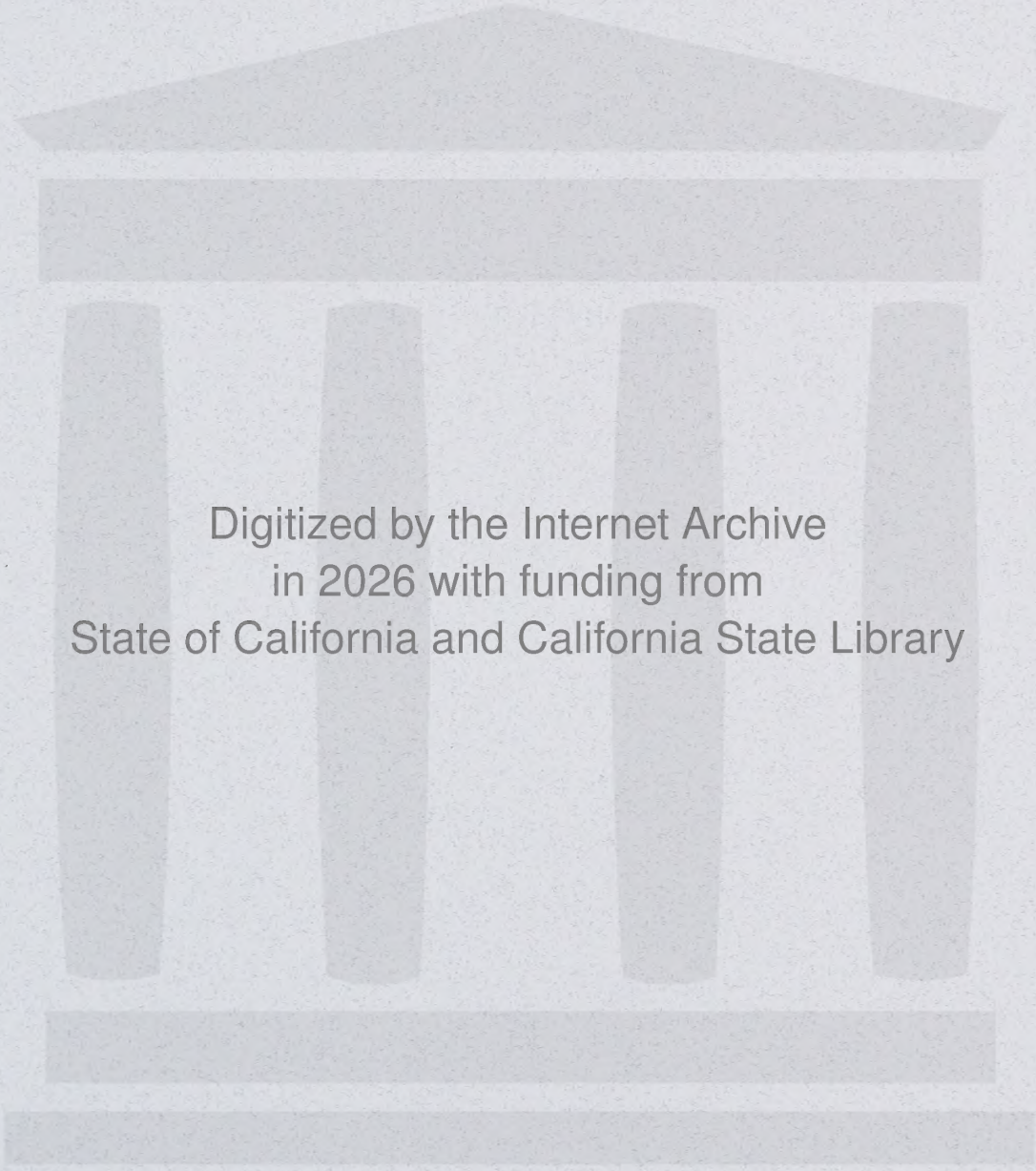
# County of Contra Costa, California




# Comprehensive Annual Financial Report

## Fiscal Year Ended June 30, 2004

Stephen J. Ybarra, Auditor-Controller


Digitized by the Internet Archive
in 2026 with funding from
State of California and California State Library

https://archive.org/details/igsl_acfr-contra-costa-cty_2004

COUNTY OF CONTRA COSTA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

# TABLE OF CONTENTS

June 30, 2004


Page

**Introductory Section**

Letter to the Board of Supervisors and Citizens of the County ..... i
Public Officials ..... xv
Organizational Chart ..... xvi
Certificate of Achievement ..... xvii

**Financial Section**

Independent Auditors' Report ..... 1
Management's Discussion and Analysis (Required Supplementary Information) ..... 3
Basic Financial Statements:
Government-wide Financial Statements:
Statement of Net Assets ..... 19
Statement of Activities ..... 20
Fund Financial Statements:
Governmental Funds:
Balance Sheet ..... 22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets ..... 23
Statement of Revenues, Expenditures and Changes in Fund Balances ..... 24
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities ..... 25
Proprietary Funds:
Statement of Net Assets ..... 26
Statement of Revenues, Expenses and Changes in Net Assets ..... 27
Statement of Cash Flows ..... 28
Fiduciary Funds:
Statement of Fiduciary Net Assets ..... 30
Statement of Changes in Fiduciary Net Assets ..... 31
Notes to the Basic Financial Statements:
Summary of Significant Accounting Policies ..... 33
Fund Equity ..... 43
Stewardship, Compliance and Accountability ..... 44
Cash and Investments ..... 45
Receivables ..... 50
Interfund Transactions ..... 52
Capital Assets ..... 59
Short-Term Notes Payable ..... 62
Payables ..... 62
Leases ..... 63
Long-Term Obligations ..... 65
Conduit Debt ..... 71
Net Assets/Fund Balances ..... 72
Permanent Fund ..... 73
Employees' Retirement Plan ..... 73
Special Item – Retirement Litigation Settlement ..... 76
Patient Service Revenue and Receivables ..... 76
Risk Management ..... 77

Commitments and Contingencies ..... 78
Required Supplementary Information (other than MD&A):
Budgetary Comparison Schedule:
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund ..... 81
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Land Development Special Revenue Fund ..... 84
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Redevelopment Agency Capital Projects Funds ..... 84
Note to Required Supplementary Information ..... 86
Combining and Individual Fund Statements and Schedules:
Nonmajor Governmental Funds:
Combining Balance Sheet ..... 87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances ..... 88
Nonmajor Special Revenue Funds: ..... 89
Combining Balance Sheet ..... 92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances ..... 94
Budgetary Comparison Schedules:
Road Special Revenue Funds ..... 96
Library Special Revenue Fund ..... 97
Fire Protection Special Revenue Funds ..... 98
Health and Sanitation Special Revenue Funds ..... 99
Service Areas Special Revenue Funds ..... 100
Flood Control Special Revenue Funds ..... 102
Law Enforcement Special Revenue Funds ..... 103
Courts and Criminal Justice Special Revenue Funds ..... 104
Recorder/Clerk Modernization Special Revenue Funds ..... 105
Redevelopment Agency Special Revenue Funds ..... 106
Child Development Special Revenue Fund ..... 107
In-Home Supportive Services Public Authority Special Revenue Fund ..... 108
Other Special Revenue Funds ..... 109
Nonmajor Debt Service Funds: ..... 111
Combining Balance Sheet ..... 112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances ..... 114
Budgetary Comparison Schedules:
Recreation and Park Bonds Debt Service Fund ..... 116
Storm Drainage Bonds Debt Service Fund ..... 117
Retirement Litigation Settlement Debt Service Fund ..... 118
Redevelopment Agency Debt Service Funds ..... 119
Pension Bond Debt Service Fund ..... 120
Nonmajor Capital Projects Funds: ..... 121
Combining Balance Sheet ..... 122
Combining Statement of Revenues, Expenditures and Changes in Fund Balances ..... 123
Budgetary Comparison Schedule:
County Facilities Capital Projects Funds ..... 124
Nonmajor Permanent Fund ..... 125
Nonmajor Enterprise Funds: ..... 127
Combining Statement of Net Assets ..... 128

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets ..... 129
Combining Statement of Cash Flows ..... 130
Internal Service Funds: ..... 131
Combining Balance Sheet ..... 132
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets ..... 134
Combining Statement of Cash Flows ..... 136
Fiduciary Funds: ..... 139
Agency Funds:
Statement of Changes in Fiduciary Assets and Liabilities ..... 140
Capital Assets Used in the Operation of Governmental Funds: ..... 143
Schedule of Funding Sources ..... 145
Schedule by Function and Activity ..... 146
Schedule of Changes by Function and Activity ..... 148

**Statistical Section**

Government-wide Information:
Government-wide Expenses by Function ..... 151
Government-wide Revenues ..... 152
Fund Information:
General County Revenues by Source ..... 153
General County Expenditures by Function ..... 154
General County Revenues by Source - Constant Dollars ..... 155
General County Expenditures by Function - Constant Dollars ..... 156
Assessed Value of Taxable Property ..... 157
General Taxes Levied and Collected ..... 158
Special Assessments Levied and Collected ..... 159
Property Tax Rates - Direct and Overlapping Governments ..... 160
Property Taxes - Direct and All Overlapping Governments ..... 161
Property Tax Levies and Delinquencies ..... 162
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita ..... 163
Property Value, Construction and Bank Deposits ..... 164
Ratio of Annual Debt Service Expenditures for General Bonded Debt
to Total General Expenditures ..... 166
Computation of Legal Debt Margin ..... 167
Computation of Direct and Overlapping Debt ..... 168
Ten Principal Taxpayers ..... 170
Demographics - Population ..... 171
Miscellaneous Statistics ..... 172

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

# Introductory Section

# Contra Costa County

Office of
COUNTY AUDITOR-CONTROLLER

625 Court Street
Martinez, California 94553-1282
Telephone (925) 646-2181
Fax (925) 646-2649

**Stephen J. Ybarra**
Auditor-Controller

December 8, 2004

Members of the Board of Supervisors and Citizens of Contra Costa County:

The Comprehensive Annual Financial Report (CAFR) of the County of Contra Costa for fiscal year 2003-2004 is presented in compliance with the California Government Code Sections 25250 and 25253. The Office of the County Auditor-Controller, which is responsible for both the accuracy of the presented data and the completeness and fairness of its presentation, including all disclosures, prepared this report. In June of 2004, Kenneth J. Corcoran retired after serving over 13 years as the Auditor-Controller of Contra Costa County. The Board of Supervisors appointed me, Stephen J. Ybarra, Auditor-Controller after 31 years of service with the county, 8 of which was as the Assistant Auditor-Controller. Like my predecessor, my primary mission is to ensure the fiscal integrity of the county. We believe the data, as presented, is accurate in all material aspects and presented in a manner designed to fairly set forth the financial position and changes in financial position of the county and its various funds and includes all disclosures necessary to enable the reader to gain the maximum understanding of the county's financial affairs.

Management of Contra Costa County is responsible to establish and maintain a comprehensive system of internal controls to ensure that the assets of the county are protected from loss, theft, or misuse, and that accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that those objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

For over 60 years the policy of the county has been to require an annual audit of the financial statements of the county by independent, licensed certified public accountants. The Board of Supervisors selected the firm of Caporicci & Larson, Certified Public Accountants, to perform the fiscal year 2003-2004 audit. The independent auditor concluded that the county's financial statements for the fiscal year ended June 30, 2004, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of the CAFR.

The CAFR represents the culmination of all budgeting and accounting activities engaged in by management during the year, covering all of its financial transactions. The accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A), which is located after the independent auditor's report. This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it.

The CAFR is organized into three sections:

- *The Introductory Section* is intended to familiarize the reader with the organizational structure of the county, the nature and scope of the services it provides, and the specifics of its legal operating environment.
- *The Financial Section* includes the independent auditor's report on the basic financial statements, MD&A, audited basic financial statements, note disclosures and supporting statements, and schedules necessary to provide readers with a comprehensive understanding of the county's financial activities of the past fiscal year.
- *The Statistical Section* contains comprehensive statistical data for the county relating to its physical, economic, social and political characteristics.

The following highlights some basic information about Contra Costa County, the local economy, the county's economic condition, and the county's awards and accomplishments.

## PROFILE OF THE GOVERNMENT

Contra Costa County was incorporated in 1850 as one of the original 27 counties of the state. It is one of nine counties in the San Francisco-Oakland Bay Area. The county covers about 733 square miles; the western and northern shorelines are highly industrialized, while the interior sections are suburban/residential, commercial, and light industrial.

The county has a general law form of government. A five member Board of Supervisors, each elected to four year terms, serves as the legislative body. A County Administrative Officer is appointed by the Board and runs the day-to-day business.

The county provides the full-range of services contemplated by statute. These services include public protection, highways and streets, sanitation, health and social services, planning and zoning, and general administrative services.

The county reporting entity includes all the financial balances and activities of the primary government as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable or other organizations for which the nature and significance of the relationship with the primary government are such that exclusion would make the enclosed financial statements misleading or

incomplete. For further information on these component units see Note 1.A in the "Notes to the Basic Financial Statements" in this report.

The reporting entity excludes certain separate legal entities which may have "Contra Costa" in their title, or which are required to keep their funds in the County Treasury, or receive their tax apportionment from the county. Examples are school districts, the community college district, cities, city redevelopment agencies, the Bay Area Rapid Transit District, the Metropolitan Transportation Commission, and a variety of special purpose districts for cemeteries, mosquito abatement, recreation and parks, etc. Those entities are autonomous organizations that handle their own fiscal affairs and for which the Board of Supervisors has no oversight responsibility. Accordingly, they are not included in the accompanying basic financial statements, except for their assets, principally cash and investments, which are held by the County Treasurer.

The annual budget serves as the foundation of the county's financial planning and control. The Board of Supervisors is required to adopt a proposed budget by the end of the fiscal year. The budget is prepared by fund, function (e.g. public protection), department (e.g. Sheriff), and object level (e.g. salary and benefits). Department heads, with the approval of the County Administrator, may make transfers within the department; however, transfers between departments require the approval of the Board of Supervisors. For further information on the budget, see the "Note to Required Supplementary Information" in the Required Supplementary Information (other than MD&A) section of this report.

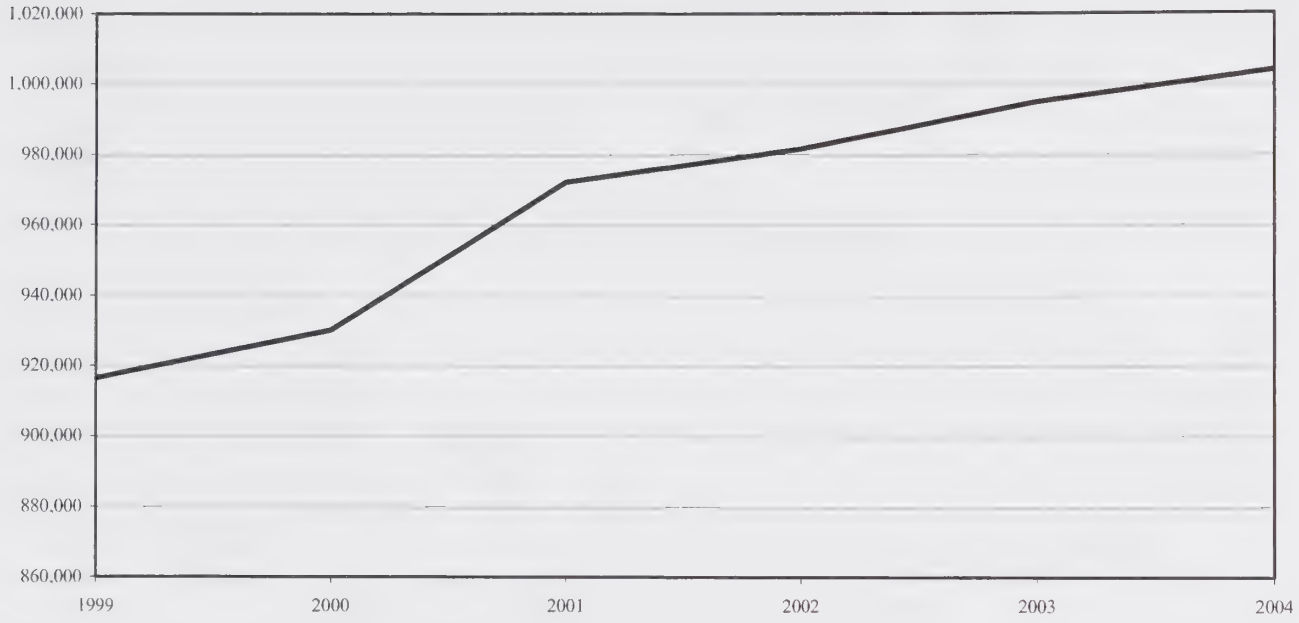
## INFORMATION USEFUL IN ASSESSING ECONOMIC CONDITION

The county continues to enjoy a relatively strong local economy. Long-term population and job growth projections remain positive. As of January 1, 2004, the county's population was estimated at 1,003,909, an increase of 25.9 percent since 1990 and a 7.9 percent increase since 2000. A study prepared by the Association of Bay Area Governments projects a 36.0 percent increase in population between 2000 and 2040.

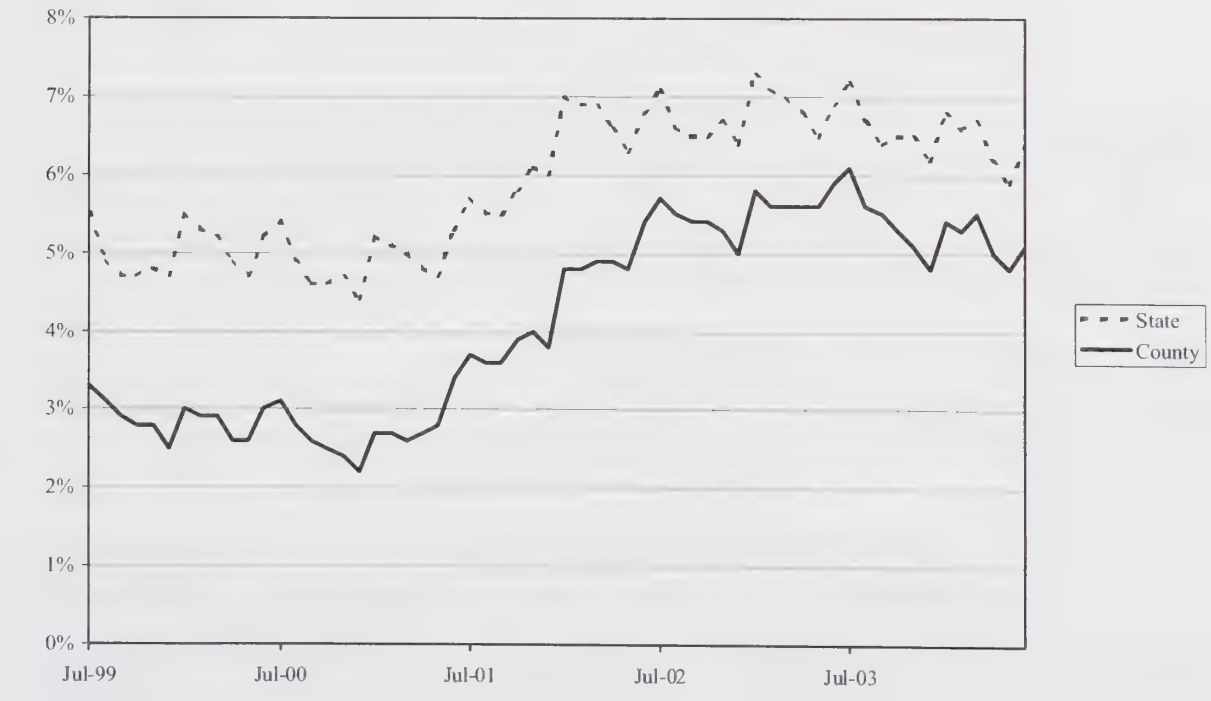
Between July 2003 and June 2004 the county's jobless rate decreased from 6.1 percent to 5.1 percent. Consistent with historical performance, it was significantly below the statewide averages of 7.2 percent and 6.4 percent, respectively. The county's economy is very diverse; major industries include petroleum refining, steel manufacturing, chemicals, electronic equipment, paper products, and utilities. The county consistently ranks as a leader in both per capita and household income.

The following charts present some pertinent five-year trends:

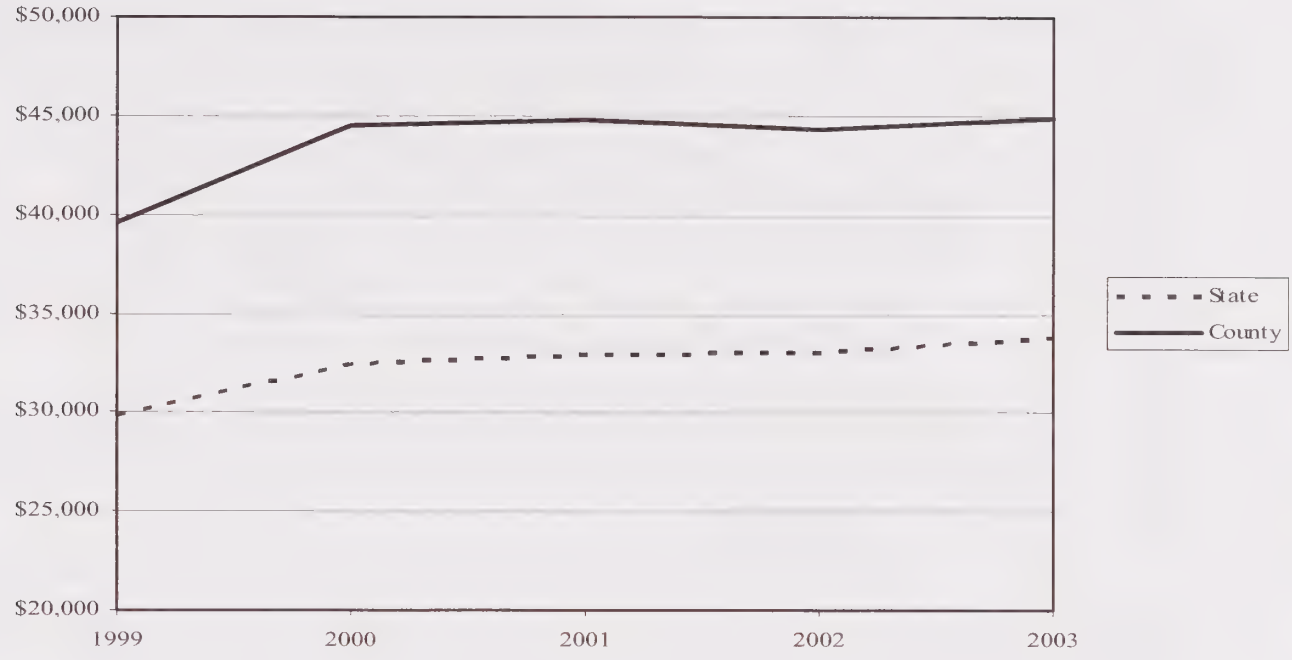
**Population**




**Unemployment Rate**



**Annual Per Capita Personal Income**




In spite of the relatively good local economy, the funding of county programs and services is challenging. Like other California counties, Contra Costa County has experienced abrupt and radical changes to its revenue base and expenditure requirements due to state action. For example, in the early 1990's, the state of California seized half of the county's property tax revenue, decreasing the county's share from approximately 25 percent to approximately 12.5 percent. In fiscal year 2003-2004, the county "shifted" $123,000,000 of its property taxes to the state. Also, in fiscal year 2003-2004, the Governor's unilateral reduction of the vehicle license fee from 2 percent to 0.65 percent caused an $18,200,000 unanticipated revenue shortfall.

The state's practice of imposing unfunded or underfunded mandates on county government has also caused major increases in the demand for locally generated revenue and has created unpredictability in its revenue requirements. For example, new requirements on holding animals in shelters required the construction of two new shelters at a cost of $13,000,000 and resulted in unreimbursed SB 90 claims of $5,600,000.

Despite those obstacles,the management of Contra Costa County is committed to prudent fiscal management and engages in targeted long-term financial planning when possible and appropriate, such as:

- *Fiscal Forecasts for Fire Protection Districts* - Produced a 10 year forecast of costs and revenues for the Contra Costa County Fire Protection District and East Contra Costa Fire Protection District that modeled annual increases in the base assessment due to projected land development and "turnover" (sale) of real estate. The fiscal forecast evaluated the ability of the two districts to meet their

projected operational obligations with their future projected revenues, a precursor to the establishment of priorities for expenditures that maintain service levels in the most cost effective manner.

- *Structural Analysis of the Budget* – Analyzed historic and near-term revenues compared to costs, identifying a structural imbalance in the county budget due to a combination of factors: depressed general purpose revenues; lower year-end fund balances; health insurance costs for both current and retired employees; and workers compensation insurance costs. The evaluation resulted in identification of key areas of action necessary to align spending with revenues going forward.

- *Retirement Costs* – Conducted a comprehensive study of the driving forces behind increasing employer retirement costs, including actuarial assumptions and Retirement Board portfolio management practices, to identify areas of future financial liability to the county.

- *Worker's Compensation Insurance Costs* – Undertook a comprehensive analysis of the worker's compensation program, including long term cost projections if no actions were taken to change the program. Identified priorities for program modifications.

- *Capital Facilities and Utilities* – Conducted comprehensive analyses of current and projected capital facility needs, taking into account not only program requirements, but also facility operational costs. Established criteria for the review and approval of future capital improvements. For energy usage, adopted a strategic energy plan.

- *Locally Generated Revenues* – On an ongoing basis, sales tax, property tax, and vehicle license fees revenues are projected for the budget year.

- *Library Financing Plan* – The county Library budget has been impacted by dramatic increases in employee and retiree healthcare and retirement costs and by the reduction in available Public Library Funds from the state. As a result, in 2004 it was necessary to reduce the Library book budget by 25 percent ($366,000) in order to maintain all open hours at all libraries. In adopting the Library's budget, the Board of Supervisors asked that the Library develop a plan to raise $250,000 to partially offset the reduction in the book budget. A total of $259,000 was added to the Library's book budget from fund-raising and donations. The Library has prepared a five-year financial projection to determine how much in additional resources will be needed to maintain the present level of open library hours at all 23 libraries countywide. It projects that additional funding will be needed until fiscal year 2007-2008, when revenue growth will again equal expenditures. Until then the gap in funding would be taken from monies set-aside to replace the automation system.

- *Legislation* – In fiscal year 2003-2004, the county joined with other California counties, cities, and special districts in seeking legislation designed to increase the stability, predictability, and surety of local government revenues and expenditure requirements. This effort was successful – refer to the MD&A for additional information.

The county has financial policies in place to ensure that its citizens can access information about how their tax dollars are spent and to ensure that they are used effectively and efficiently.

- The financial activities of the general governmental functions are reported in the General, special revenue, debt service, capital projects, and Permanent Funds. Included in those funds are the special districts governed by the Board of Supervisors and the county's blended component units except for the Housing Authority, which is included in enterprise operations. The county's business-type activities are reported in the Enterprise Funds. These include the County Hospital, Health Maintenance Organization, Airport, Housing Authority, Sheriff Law Enforcement Training Center and the Major Risk Medical Insurance Enterprise Funds.

- The county is self-insured for workers' compensation, general and automobile liability, medical malpractice, dental, management long-term disability, and unemployment insurance. The county maintains excess insurance policies with private insurers to cover additional losses. The county's Risk Management office administers claims for the various programs, provides loss prevention services, and minimizes risks through various risk control strategies. For specific information on coverage see Note 18 in the "Notes to the Basic Financial Statements."

- Cash temporarily idle during the year was invested in accordance with California Government Code Section 53600 (et seq.) that allows investment maximums of 40.0 percent in bankers' acceptances, 40.0 percent in commercial paper, and 30.0 percent in negotiable certificates of deposit. There is no limit on investments in collateralized certificates of deposit and U.S. Government issues. The County Treasurer continues to have a more restrictive investment policy than required by law. The Treasurer's investment policy was approved by the Board of Supervisors. In accordance with California Government Code Sections 27130-27137, an investment oversight committee has reviewed the quarterly investment reports prepared by the Treasurer. The average yield on investments for the fiscal year ended June 30, 2004, was 1.5 percent.

- The county has capital lease obligations under lease/purchase agreements for various county buildings and other property. Some older agreements have been made with the Contra Costa County Public Facilities Corporation, a non-profit public benefit corporation which assisted the county in financing public buildings and facilities. Beginning in fiscal year 1997-1998, most new agreements have been and will be made with the County of Contra Costa Public Financing Authority, a joint powers authority consisting of the county and the Redevelopment Agency.

- The county participates in and contributes to a cost-sharing, multi-employer defined benefit pension plan that is governed by the County Employees Retirement Law of 1937 and which is administered by the Contra Costa County Employees' Retirement Association (CCCERA). Financial activities of the plan are reported in the county's Pension Trust Fund and a Comprehensive Annual Financial Report is available from CCCERA. Additional information about the plan is also presented in Note

15 in the "Notes to the Basic Financial Statements" in this report. The CCCERA's address can be found in Note 1.A.

- In prior years, the county has issued Pension Obligation Bonds to fund the unfunded accrued actuarial liability (UAAL) of the county for retirement benefits accruing to county members of the CCCERA. Due to favorable market conditions and the county's excellent credit ratings, the county was able to realize substantial savings in the cost to pay its UAAL obligation to the CCCERA. For specific information, see Management's Discussion and Analysis and Note 11 in the "Notes to the Basic Financial Statements."

Contra Costa County has adopted a variety of financial policies to help ensure prudent fiscal management. These include, but are not limited to, the following:

- *Establishing New Positions* – The county frequently is the recipient of multi-year grants for major initiatives, which require augmented staffing. Under those circumstances, departments can add "project" positions but not permanent positions. Project positions are limited term, up to five years.

- *Budget Augmentation Requests* – The Board of Supervisors has adopted policy that requires any Board augmentation of programs during the budget process to be accompanied by a commensurate reduction in funding elsewhere in the budget.

- *Vacancy Factor* – Projections of a department's expenditure base for the following fiscal year includes a reasonable vacancy factor (set by the County Administrator's Office) to help ensure greater accuracy in appropriation levels.

- *Authorization to Execute Contracts* – The Board of Supervisors has authorized departments to execute contracts under $25,000, subject to the review and approval of the County Administrator and County Counsel; however, all contracts above $25,000 require Board of Supervisors' approval. This policy helps expedite the process while still maintaining appropriate oversight and review.

- *Hiring Freezes* – As necessary, the county imposes "hiring freezes" that require additional levels of approval and financial justification prior to the filling of positions.

In fiscal year 2003-2004, Contra Costa County successfully managed the effect of significant revenue shortfalls through judicious management of expenditures. To help preserve fiscal integrity and service standards during this period, the county focused its efforts on the following areas: (1) increasing operational efficiency; (2) limiting liability exposure; and (3) leveraging financial resources. Highlights include:

**Increasing Efficiency in Operations**

- *Sick Leave Usage Study* – Initiated study of sick leave usage levels; departmental and countywide sick leave policy; tracking systems for monitoring sick leave; management tools for ensuring appropriate use of sick leave accruals; and training and education needs and availability.

- *Cell Phone Cost And Usage Study* – Initiated study of cell phone needs by type of employee, number and type of phones currently in use, service contracts, cooperative purchase agreements, and departmental policy with the objective of ensuring that non-land line communication needs are met with the appropriate communication device at the most advantageous cost to the county.

- *Travel and Procurement Practices Review* – Updated the county's policies and procedures for travel authorization and travel–related expense payments and reimbursement to help ensure county paid costs are appropriate. Implemented quarterly reviews of the use of procurement cards to help ensure that they are used to improve efficiency and not to circumvent effective procurement planning and controls.

- *Payroll Practices Study* – Investigated payroll practices among departments, including coding of time and overtime. Revised several sections of the Management Resolution to clarify policies and procedures.

- *Capital Projects Review Criteria* – Updated the county's criteria for evaluating and prioritizing capital projects, which has assisted the county's management team in more clearly identifying the need for future facilities and has facilitated the planning process to meet those needs.

- *Targeted Capital Improvement Investments* – Invested in areas to increase the efficiency of operations, including $1,300,000 for the installation of an automated system to control the operation of security doors, and intercom and video systems in the main detention facility. In addition, the Board also invested $5,200,000 to upgrade the existing emergency radio system to increase system capacity, reduce system overload, improve operability, and expand coverage.

- *Board of Supervisors Agenda Processes* – Initiated development of a system to automate the preparation, publication, and distribution of the Board of Supervisors weekly meeting agendas and supporting documents. The primary goals of the system are to expedite the review process for agenda items, improve the quality and consistency of Board reports, provide staff information on the status of items as they are reviewed, and increase public access to final Board agendas and packet materials.

- *Board of Supervisors Chambers System Upgrades* - Installed a modern visual presentation system that can project images from computer laptop, flat art, videotape, and DVD media onto a large screen, and displays on television monitors and the monitors of each member of the Board to increase the effectiveness of presentations before the Board; replaced the obsolete cassette tape recording system with a modern digital audio recording system; and installed an electronic speaker queuing system that notifies the Board Chair of requests of other members of the Board and staff for permission to speak.

- *PeopleSoft Upgrade* – Upgraded the Human Resources/Payroll PeopleSoft System from version 7.5 to version 8.8. This upgraded has resulted in expanded functionality, less customization, and a web-based environment that will allow for future technological advancement.

- *Fiber Optics Connection* - Negotiated a free fiber optics connection of the county's administration building and its government cable TV access facility from the cable service provider, allowing for webcasts of Board of Supervisors' meetings, higher quality, reliable government access signals, and data transfer capacity for the Department of Information Technology. Negotiations are currently in progress for a fiber optics connection that would link other county facilities.

**Limiting Liability Exposure**

- *ADA Transition Plan For Facilities* – Evaluated facilities for compliance with Americans with Disabilities Act (ADA) accessibility regulations, prioritized them for accessibility improvement, and established a process for continued evaluation of the county's physical facilities. The county also initiated a reassessment of programs, services, and activities for compliance with ADA regulations.

- *Ergonomic Injury Prevention Program* – Initiated a program to reduce the incidents of ergonomic injuries, including two new web-based online classes: "Injury and Illness Prevention" and "Ergonomics." Those classes allow for training at times convenient for the employees and reduce the cost of classroom instruction.

- *Occupational Medical Program* - Instituted an occupational medical treatment program to provide better oversight of the diagnosis and treatment of industrial injury. The new 30-day medical treatment program provides services through John Muir/Mt. Diablo Hospital and Kaiser Hospital within their occupational medicine centers. Nurse case managers are now used on appropriate claims. In addition, the county has entered into partnership with the Contra Costa County Schools Insurance Group for review and approval of medical billing, which includes document imaging with the goal of paperless files for greater efficiency. A new data system was also implemented allowing for more efficient management of claims.

**Leveraging Financial Resources**

- *Strategic Energy Plan* – Analyzed the energy usage of county facilities and identified a variety of energy conservation measures for implementation over the next three years that will result in an estimated $1,200,000 annual energy savings, a 12 percent reduction in energy spending.

- *Lease Revenue Bonds* – Issued $18,500,000 in lease revenue bonds to better meet service needs and/or reduce county capital facility costs. Projects included:

    - West County Animal Shelter in Pinole
    - Discovery House residential substance abuse treatment facility in Pacheco
    - Residential mental health treatment facility for adolescents in Concord
    - General Services Department administration building in Martinez
    - One-Stop employment services center in Brentwood

- *Minimize Borrowing Costs* - Maintained prudent financial management practices, which have resulted in consistently strong bond ratings and low borrowing costs, producing significant taxpayer savings.

  The county has a history of making annual presentations to bond rating agencies, such as Standard and Poor's Ratings Service (S&P) and Moody's Investors Service (Moody's). The county also makes a regular practice of sending rating agencies copies of annual financial documents, such as the county budget, the CAFR and an "Annual Report to Bondholders." The county's practice of regular and open communication with rating agencies promotes financial transparency and investor confidence in the county's financial condition.

  The county also places high priority on ensuring the ongoing integrity of the tax-exempt status of its bonds. To this end, the county regularly conducts arbitrage rebate calculations of outstanding debt to ensure compliance with federal regulations concerning investment earnings on bond proceeds.

  It is the county's practice to issue bonds by competitive sale when economically advantageous. This practice is intended to maximize the degree of competition in the sale process and produce most favorable pricing for the county and its taxpayers.

- *Grant Funding* - Applied for approximately 100 grant awards totaling over $61,500,000 to increase the range and/or level of county services.

- *Partnering with Other Public Agencies* – Continued the county's long-standing practice of collaborative partnerships to leverage resources and expand service availability. For example, the county's "After School 4 All" collaborative provides after school programming at 51 school sites, serving 7,500 students each school day within the Antioch, John Swett, Martinez, Mt. Diablo, Pittsburg and West Contra Costa School Districts. In addition, the city of Brentwood funds the addition of a third firefighter to two fire stations located within the city, while the Pittsburg Unified School District funds the local match that draws down $1,200,000 of federal funds for children's mental health services for their students.

The following includes some other major county accomplishments, service level efforts, and initiatives for fiscal year 2003-2004:

- In spite of its challenges, the Department of Child Support Services (DCSS) collections of current support rose 3% to $55,334,000, an increase of $1,564,000. Innovative business processes and technology enhanced the Department's efficiency and customer services. The Department converted to the new California Child Support Automated System. The conversion in early 2004 improved the Department's ability to interface with other child support offices in the state and improved case management.

- The Floodplain Management Program, which includes the Departments of Public Works, Building Inspection, and Community Development, received a community rating of six (6) from the Federal Emergency Management Agency (FEMA) resulting in a 20% premium discount for flood insurance

in the unincorporated areas of Contra Costa County. This document results in an estimated savings of $250,000 to citizens in the unincorporated areas of the county.

- A total of 44 construction projects with a total value of $1,800,000 were authorized under the county's first Job Order Contract. This pilot program resulted in a savings of $287,000 and a reduction in the average amount of time required procuring construction services of 35 days per project.

- The Contra Costa County Recorder's Office took the lead statewide and, after six years of effort, successfully guided its associates in enacting a comprehensive statewide electronic-recording bill for property records. This will save time and money and will better serve the public with their property transactions.

- The Health Services Department (HSD) implemented a system to receive and process electronic claims for the Contra Costa Health Plan (CCHP) to comply with the Health Insurance Portability and Accountability Act (HIPAA) and to provide productivity enhancements. Approximately 18,000 paper claims are now handled electronically each month, which allows for the correction of billing errors, validation of member and provider information, and the automatic import of claims into the CCHP Claims System.

- HSD developed a ten-year plan to end "chronic homelessness" that has been adopted by the county and several cities. This plan forms the basis for federal funding and a guild to programs to end homelessness in Contra Costa County. Under this plan, two outreach teams, including Health Care for the Homeless and Veterans Services, reached more than 2,500 homeless individuals in encampments during fiscal year 2003-2004. A companion program provides permanent supportive housing for 40 chronic homeless with significant mental health, substance abuse, and physical health problems.

  The quality management structure of the health system was redesigned and renewed with new approaches to the assessment of medical care. Using objective internal and external measures, the health centers were able to demonstrate the highest quality of care in a number of arenas - excellent assessments by regulatory agencies, very positive patient satisfaction surveys, and marked improvement in internal quality benchmarks. Through the development of new systems of patient care and information management, the health centers were able to deal effectively with a 50 percent increase in patient care needs in emergency services and obstetrics. Similar new approaches also allowed the Department to increase outpatient visits by 9 percent and to increase inpatient care by 7 percent at the same time that total expenditures were reduced by about 4 percent.

- The Office of the Sheriff's Support Services Bureau, Forensic Services Division, was successful in obtaining a grant that allowed for the renovation of the criminal laboratory's DNA unit. This grant included the purchase of state-of-the-art equipment, which resulted in the elimination of backlogged DNA cases and enhanced efficiencies in the analysis of current and future cases. The Emergency Services Division was successful in obtaining federal grant monies to enable the Office to obtain both

equipment and training for first responders when dealing with incidents involving homeland security and terrorism. The Technical Services Division made substantial progress towards creating the first countywide criminal justice information sharing network.

- A joint powers authority (the Pleasant Hill BART Station Leasing Authority) was formed between the county, its Redevelopment Agency, and the Bay Area Rapid Transit District (BART) to facilitate development of the BART Transit Village project, and to position the county general fund as the recipient of significant ground lease revenues over the next 100 years.

- The Contra Costa County Employment & Human Services Department continued to serve over 100,000 people in the county in three distinct areas:

    - The Children & Family Services Bureau protects abused and neglected children, receiving over 22,000 calls annually alleging child abuse. The Bureau works with the community to build a solid network of support for children and families in crisis. If children cannot be successfully reunited with their families, they are placed in loving adoptive homes.
    - The Workforce Services Bureau assists needy families in their search for self-sufficiency. Services include eligibility determination; help with interview skills, job search and job retention, transportation and child care. More than 22,000 individuals have been assisted in finding employment since Welfare Reform was enacted in 1998.
    - Aging & Adult Services Bureau provides programs and services to assist older adults and people with disabilities to live safely and independently. Nearly 6,000 frail and elderly people receive in home supportive services monthly. Adult Protective Services serves 400 seniors at any given time and receives over 130 new calls each month, alleging abuse. Information & Assistance provides information, referral and supportive problem solving regarding the needs of seniors and dependent adults.

Additional information on the county's economic conditions and outlook is presented in the MD&A and in the Statistical Section.

The county maintains an Internet web site with an increasing amount of information useful to its citizens at http://www.co.contra-costa.ca.us. This document is also available there.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Contra Costa County for its fiscal year 2002-2003 Comprehensive Annual Financial Report. This was the twenty-second consecutive fiscal year the county has received this award.

In order to be awarded a Certificate of Achievement, the county must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such a report

must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid only for a period of one year. We believe our current report continues to conform to Certificate of Achievement requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Office of the Auditor-Controller. I would like to express my appreciation to all members of the Office who assisted and contributed to its preparation. I would also like to thank the members of the Board of Supervisors and the County Administrator for their interest and support in planning and conducting the financial operations of the county in a responsible and progressive manner.

Respectfully submitted,

Stephen J. Ybarra

Auditor-Controller

# COUNTY OF CONTRA COSTA

## PUBLIC OFFICIALS

June 30, 2004

### ELECTED OFFICIALS

| | |
|---|---|
| Supervisor, District 1 | John Gioia |
| Supervisor, District 2 | Gayle B. Uilkema |
| Supervisor, District 3 | Millie Greenberg |
| Supervisor, District 4 | Mark De Saulnier |
| Supervisor, District 5 | Federal Glover |
| Assessor | Gus Kramer |
| Auditor-Controller | Stephen J. Ybarra |
| Clerk-Recorder | Stephen L. Weir |
| District Attorney-Public Administrator | Robert J. Kochly |
| Sheriff-Coroner | Warren E. Rupf |
| Treasurer-Tax Collector | William J. Pollacek |

### APPOINTED OFFICIALS

| | |
|---|---|
| County Administrator | John Sweeten |
| County Counsel | Silvano Marchesi |
| County Librarian | Anne Cain |
| County Probation Officer | Steven Bautista |
| Director of Animal Services | Michael G. Ross |
| Director of Building Inspection | Carlos Baltodano |
| Director of Child Support Services | Linda M. Dippel |
| Director of Community Development | Dennis Barry |
| Director of Community Services | Tony Colon |
| Director of Cooperative Extension | Janet Caprile |
| Director of Employment and Human Services | John Cullen |
| Director of General Services | Barton J. Gilbert |
| Director of Health Services | William Walker, MD |
| Director of Human Resources | Leslie T. Knight |
| Director of Public Works | Maurice Shiu |
| Agricultural Commissioner-Director of Weights and Measures | Edward P. Meyer |
| Chief Information Officer | Tom Whittington |
| Public Defender | David Coleman III |
| Veterans' Services Officer | Gary D. Villalba |
| Chief, Contra Costa Fire Protection District | Keith Richter |
| Chief, Crockett-Carquinez Fire Protection District | Jerry Littleton, Jr. |
| Chief, East Contra Costa Fire Protection District | Jay D. Dawson |

### AFFILIATED ORGANIZATIONS

| | |
|---|---|
| Administrator, Contra Costa County Employees' Retirement Association | Patricia Wiegert |
| Executive Director, Housing Authority of the County of Contra Costa | Robert McEwan |
| President, Contra Costa County Public Facilities Corporation | John E. Whalen |
| Executive Director, FIRST 5 Contra Costa Children and Families Commission | Brenda Blasingame |
| Executive Director, County of Contra Costa Public Financing Authority | John Sweeten |
| Executive Director, Contra Costa County Redevelopment Agency | John Sweeten |
| Executive Director, In-Home Supportive Services Public Authority | John Cottrell |

*Organizational Chart of Contra Costa County*

**BOARD OF SUPERVISORS (E)**

**COUNTY ADMINISTRATOR**

### PUBLIC PROTECTION

- AGRICULTURE-WEIGHTS AND MEASURES
- ANIMAL SERVICES
- CHILD SUPPORT SERVICES
- DISTRICT ATTORNEY (E)
  - Public Administrator
- GRAND JURY
- PROBATION
- PUBLIC DEFENDER
- SHERIFF-CORONER (E)
  - Court Security
  - Emergency Services
  - Institutions
- SUPERIOR COURT
  - (County Responsibilities)

### GENERAL GOVERNMENT

- ASSESSOR (E)
- AUDITOR-CONTROLLER (E)
- COOPERATIVE EXTENSION
- COUNTY ADMINISTRATOR
  - Affirmative Action
  - Capital Facilities and Debt
  - Clerk of the Board
  - Information Technology
  - Office of Communication and Media
  - Revenue Collections
  - Risk Management
- COUNTY CLERK-RECORDER (E)
  - Elections
- COUNTY COUNSEL
- GENERAL SERVICES
  - Building and Grounds
  - Central Services
  - Communications
  - Fleet Services
  - General Property
  - Purchasing
  - Workfare Programs
- HUMAN RESOURCES
- LIBRARY
- TREASURER-TAX COLLECTOR (E)

### HEALTH AND HUMAN SERVICES

- COMMUNITY SERVICES
  - Family and Child Services Division
- EMPLOYMENT AND HUMAN SERVICES
- HEALTH SERVICES
  - Substance Abuse
  - California Children's Services
  - Emergency Medical Services
  - Health Plan
  - Hospital & Clinics
  - Mental Health
  - Public Health
- VETERANS' SERVICES

### GROWTH MANAGEMENT

- BUILDING INSPECTION
  - Housing Rehabilitation
  - Land Information Systems
- COMMUNITY DEVELOPMENT
  - Comprehensive Planning
  - Economic Development
  - Land Development
  - Transportation Planning
- PUBLIC WORKS
  - Airport
  - Flood Control
  - Roads

### SPECIAL DISTRICTS AND AUTHORITIES

- EMERGENCY MEDICAL SERVICES
- FIRE PROTECTION
- FLOOD CONTROL AND DRAINAGE
- LIBRARY
- LIGHTING & LANDSCAPE
- POLICE
- RECREATION & PARK
- SANITATION
- STREETS & ROADS

### AFFILIATED ORGANIZATIONS

- EMPLOYEES' RETIREMENT ASSOCIATION
- HOUSING AUTHORITY (1)
- PUBLIC FACILITIES CORPORATION
- REDEVELOPMENT AGENCY (1)
- PUBLIC FINANCING AUTHORITY (1)
- FIRST 5, CONTRA COSTA CHILDREN & FAMILIES COMMISSION
- IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY (1)

(E = Elected)

1. Authority/Agency Board is the Board of Supervisors

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## County of Contra Costa, California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

# Financial Section

C&L
Caporicci & Larson
*Certified Public Accountants*

# INDEPENDENT AUDITORS' REPORT

To the Honorable Board of Supervisors
of the County of Contra Costa
Martinez, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Contra Costa, California (County), as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the following component units:

- Contra Costa County Employees' Retirement Association, which represents $4,075,840,000 of assets of the fiduciary funds.
- Housing Authority of the County of Contra Costa, which represents $64,886,000 of assets and $4,063,000 of revenue of the business-type activities. (Blended component unit).
- Casa Del Rio Senior Housing Associates, L.P., which represents $6,272,000 of assets and $422,000 of revenue of the Housing Authority enterprise fund.
- De Anza Gardens, Limited Partnership, which represents $33,198,000 of assets of the Housing Authority enterprise fund.
- De Anza Gardens, Incorporated, which represents $1,034,000 of assets and $1,034,000 of the Housing Authority enterprise fund.
- FIRST 5 Contra Costa Children and Families First Commission, which represents $48,432,000 of assets and $13,280,000 of revenues. (Discrete component unit).

Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements of the County, insofar as it related to those amounts included for the above mentioned component units in the accompanying basic financial statements of the County, is based solely on the reports of the other auditors

We conducted our audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discrete component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

Toll Free Ph: (877) 862-2200 Toll Free Fax: (866) 436-0927

**Oakland**
180 Grand Ave., Suite 1365
Oakland, California 94612

**Orange County**
3184-D Airway Avenue
Costa Mesa, California 92626

**Sacramento**
777 Campus Commons Rd., Suite 200
Sacramento, California 95825

**San Diego**
600 "B" Street, Suite 1900
San Diego, California 92101

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12 2004, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Required Supplementary Information, such as management's discussion and analysis, budgetary comparison information and other information as listed in the table of contents are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information is presented for purpose of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Caporicci & Larson

Oakland, California
November 12, 2004

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the County of Contra Costa's Comprehensive Annual Financial Report presents a discussion and analysis of the financial activities of the county for the fiscal year ended June 30, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### Financial Highlights

- The assets of the county exceeded its liabilities at the close of fiscal year 2003-2004 by $883,571,000 (net assets), a 3.5 percent decrease from the prior year. Of this amount, $453,140,000 was invested in capital assets, net of related debt, a decrease of 0.9 percent. Of the remaining assets, $314,332,000 was restricted for specific purposes (restricted net assets), an increase of 14.5 percent and $116,099,000 was available to meet the county's ongoing obligations to its citizens and creditors (unrestricted net assets), a decrease of 36.9 percent.

- As of June 30, 2004, the county's governmental funds reported ending fund balances of $457,509,000, an increase of 0.8 percent from the prior year. Approximately 77.5 percent of this total amount, $354,352,000, was unreserved fund balance.

- As of June 30, 2004, unreserved fund balance for the General Fund was $75,888,000 or 7.5 percent of total General Fund expenditures of $1,006,390,000.

- Net assets of the internal service funds (self-insurance funds) was a deficit of $48,596,000.

- The county's total debt increased by $50,228,000 or 5.0 percent during fiscal year 2003-2004.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the county's basic financial statements. The county's basic financial statements are comprised of three parts as follows: (1) **government-wide** financial statements; (2) **fund** financial statements; and (3) **notes** to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the county's finances, in a manner similar to a private-sector business.

The **statement of net assets** presents information on all of the county's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The **statement of activities** presents information showing how the county's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that only will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

Both of the government-wide financial statements distinguish functions of the county that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government, public protection, health and sanitation, public assistance, education, public ways and facilities and recreation and culture. The business-type activities of the county include the County Hospital, Health Maintenance Organization, Airport, Housing Authority, Sheriff Law Enforcement Training Center, and Major Risk Medical Insurance.

**Fund Financial Statements**

The fund financial statements report groupings of related accounts are used to maintain control over resources that have been segregated for specific activities and objectives. The county, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the county can be divided into three categories as follows: (1) **governmental** funds; (2) **proprietary** funds; and (3) **fiduciary** funds.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of resources that are available for spending as well as on balances of resources that are available for spending at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, readers may better understand the long-term impact of the county's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The county maintains 26 individual governmental funds (e.g. general fund, special revenue funds, debt service funds, capital projects funds and permanent fund) for reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Land Development Special Revenue Fund and Redevelopment Agency Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of those nonmajor governmental funds is provided in the form of combining statements and schedules elsewhere in this report.

The county adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

**Proprietary funds** used by the county are of two different types as follows: (1) enterprise funds; and (2) internal service funds. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The county uses enterprise funds to account for the operations of its County Hospital, Health Maintenance Organization, Airport, Housing Authority, Sheriff Law Enforcement Training Center, and Major Risk Medical Insurance.

- **Internal service funds** are an accounting device used to accumulate and allocate costs internally among the county's various functions. The county uses internal service funds to account for its administrative costs and payment of claims for its various insurance programs to protect county assets and employees. They have been allocated between the governmental functions and business-type activities in the government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

**Fiduciary funds** are used to account for resources held for the benefit of entities legally separate from the county and individuals, which are not part of the reporting entity. The Contra Costa County Employees' Retirement Association (CCCERA) pension plan, the county's investment trust fund, private-purpose trust fund, and agency funds are reported under fiduciary funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the county's major governmental fund budget and actual comparisons. Progress in funding its obligation to provide pension benefits to employees is included in the CCCERA report.

**Combining Statements and Schedules**

The combining statements and schedules referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information (other than MD&A).

## Component Units

The blended component units, as described in Note 1.A in the "Notes to the Basic Financial Statements," are included in all three parts of the county's basic financial statements. The county and its blended component units constitute the primary government. In addition to the blended component units, the government-wide financial statements and the notes to the basic financial statements also include the discretely presented component unit described in Note 1.A in the "Notes to the Basic Financial Statements."

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**COUNTY'S NET ASSETS**
June 30, 2004
(In Thousands)

| | Governmental Activities | | Business-type Activities | | Total | | Increase/ (Decrease) Percent Change |
|---|---|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | |
| **Assets:** | | | | | | | |
| Current and other assets | $ 1,272,180 | 1,329,464 | 163,683 | 133,764 | 1,435,863 | 1,463,228 | (1.9) % |
| Capital assets | 691,970 | 671,679 | 202,031 | 192,375 | 894,001 | 864,054 | 3.5 |
| Total Assets | 1,964,150 | 2,001,143 | 365,714 | 326,139 | 2,329,864 | 2,327,282 | 0.1 % |
| **Liabilities:** | | | | | | | |
| Current and other liabilities | 142,180 | 181,964 | 89,475 | 85,717 | 231,655 | 267,681 | (13.5) % |
| Long-term liabilities | 1,046,888 | 978,560 | 167,750 | 164,971 | 1,214,638 | 1,143,531 | 6.2 |
| Total Liabilities | 1,189,068 | 1,160,524 | 257,225 | 250,688 | 1,446,293 | 1,411,212 | 2.5 % |
| **Net Assets:** | | | | | | | |
| Invested in capital assets, net of related debt | 400,332 | 415,444 | 52,808 | 41,987 | 453,140 | 457,431 | (0.9) % |
| Restricted | 303,797 | 264,054 | 10,535 | 10,535 | 314,332 | 274,589 | 14.5 |
| Unrestricted | 70,953 | 161,121 | 45,146 | 22,929 | 116,099 | 184,050 | (36.9) |
| Total Net Assets | $ 775,082 | 840,619 | 108,489 | 75,451 | 883,571 | 916,070 | (3.5) % |

## Analysis of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The county's assets exceeded liabilities by $883,571,000 at June 30, 2004. Current and other liabilities of governmental activities were decreased from fiscal year 2002-2003 primarily due to the issuance of $55,000,000 of tax and revenue anticipation notes in that year that were redeemed November 17, 2003. The largest portion of the county's net assets, $453,140,000, or 51.3 percent, reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related debt used to acquire those assets. The county uses capital assets to provide services to citizens; consequently, those assets are not available for future spending. Although the county's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets

themselves cannot be used to liquidate these liabilities. An additional portion of the county's net assets, $314,332,000, or 35.6 percent, represents resources that are subject to external restrictions on how they may be used. The major restriction on net assets, $276,317,000, is for legally segregated taxes, grants, and fees. Restricted net assets of governmental activities increased primarily due to activities of the Redevelopment Agency (RDA).

The remaining balance, $116,099,000, or 13.1 percent, is unrestricted net assets and may be used to meet the county's ongoing obligations to citizens and creditors. Unrestricted net assets of governmental activities decreased primarily due to the use of unrestricted net assets to fund programs in which revenues did not grow to match the growth in expenditures. Unrestricted net assets of business-type activities increased primarily due to the adjustment to beginning net assets to reflect the Housing Authority's decision to report component units not previously reported (see Note 2 in the "Notes to the Basic Financial Statements").

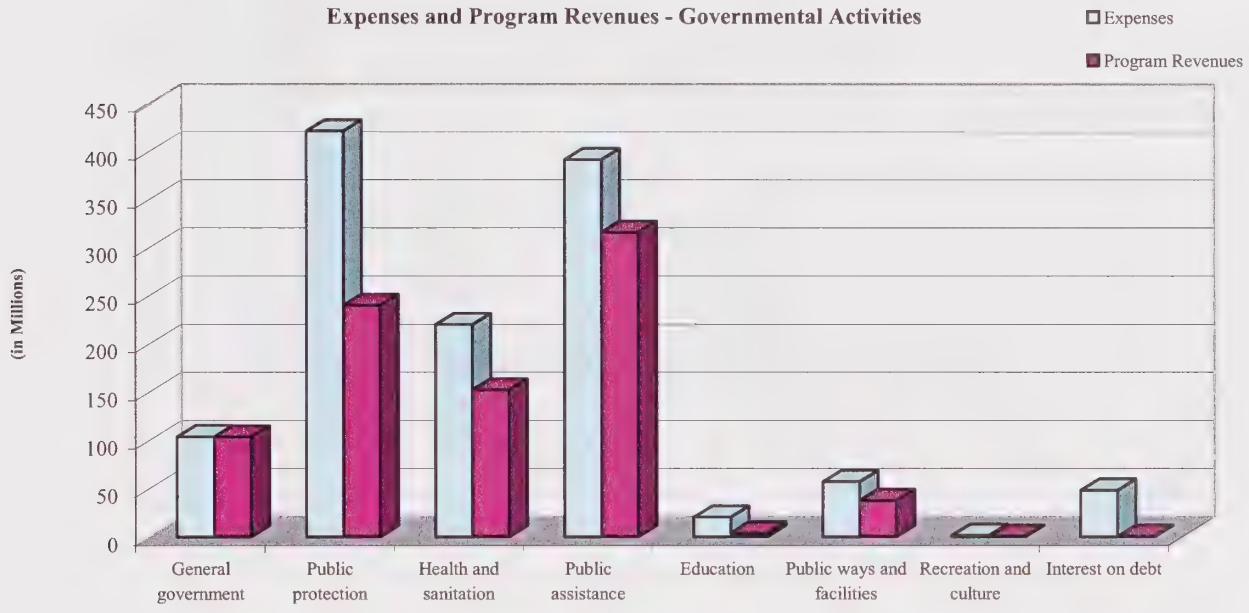
**COUNTY'S CHANGE IN NET ASSETS**
For the Fiscal Year Ended June 30, 2004
(In Thousands)

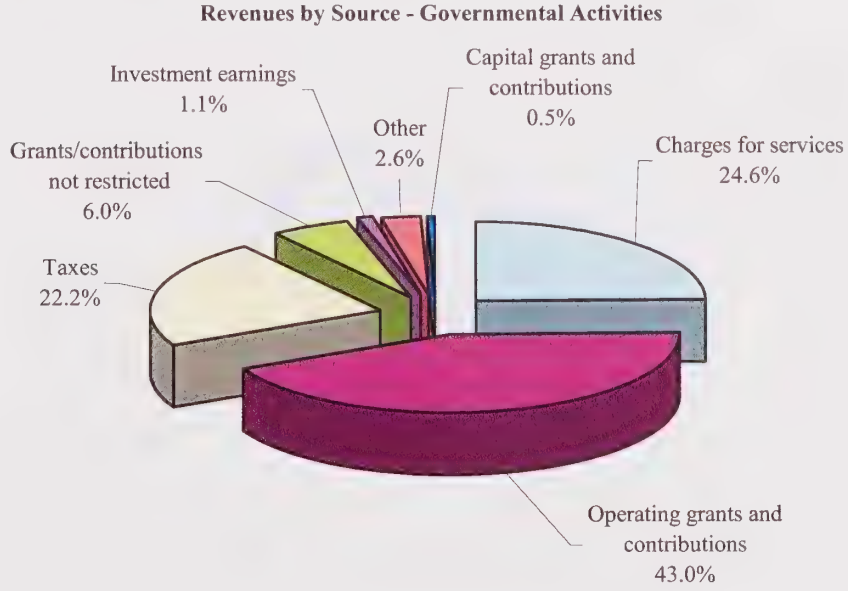
| | Governmental Activities | | Business-type Activities | | Total | | Increase/ (Decrease) Percent Change |
|---|---|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | |
| Revenues: | | | | | | | |
| Program revenues: | | | | | | | |
| Charges for services | $ 307,580 | 277,375 | 380,360 | 331,749 | 687,940 | 609,124 | 12.9 % |
| Operating grants and contributions | 540,138 | 538,684 | 118,574 | 103,347 | 658,712 | 642,031 | 2.6 |
| Capital grants and contributions | 6,124 | 12,332 | 5,201 | 4,595 | 11,325 | 16,927 | (33.1) |
| General revenues: | | | | | | | |
| Taxes | 276,712 | 256,920 | | | 276,712 | 256,920 | 7.7 |
| Grants/contributions not restricted | 69,341 | 83,035 | | | 69,341 | 83,035 | (16.5) |
| Investment earnings | 13,336 | 18,347 | 12 | 376 | 13,348 | 18,723 | (28.7) |
| Other | 35,815 | 36,140 | 609 | 551 | 36,424 | 36,691 | (0.7) |
| Total revenues | 1,249,046 | 1,222,833 | 504,756 | 440,618 | 1,753,802 | 1,663,451 | 5.4 % |
| Expenses: | | | | | | | |
| General government | 103,796 | 91,367 | | | 103,796 | 91,367 | 13.6 % |
| Public protection | 421,782 | 403,297 | | | 421,782 | 403,297 | 4.6 |
| Health and sanitation | 220,135 | 209,772 | | | 220,135 | 209,772 | 4.9 |
| Public assistance | 391,906 | 372,499 | | | 391,906 | 372,499 | 5.2 |
| Education | 20,217 | 18,822 | | | 20,217 | 18,822 | 7.4 |
| Public ways and facilities | 56,983 | 58,886 | | | 56,983 | 58,886 | (3.2) |
| Recreation and culture | 1,294 | 875 | | | 1,294 | 875 | 47.9 |
| Interest on debt | 48,072 | 33,029 | | | 48,072 | 33,029 | 45.5 |
| County hospital | | | 275,301 | 245,497 | 275,301 | 245,497 | 12.1 |
| Health maintenance organization | | | 136,374 | 117,677 | 136,374 | 117,677 | 15.9 |
| Airport | | | 4,668 | 4,554 | 4,668 | 4,554 | 2.5 |
| Housing authority | | | 99,676 | 82,591 | 99,676 | 82,591 | 20.7 |
| Major risk medical insurance | | | 1,104 | 1,744 | 1,104 | 1,744 | (36.7) |
| Sheriff law enforcement training center | | | 1,435 | 1,578 | 1,435 | 1,578 | (9.1) |
| Total expenses | 1,264,185 | 1,188,547 | 518,558 | 453,641 | 1,782,743 | 1,642,188 | 8.6 % |
| Change in net assets before transfers and special item | (15,139) | 34,286 | (13,802) | (13,023) | (28,941) | 21,263 | (236.1) |
| Gain (loss) on sale of capital assets | | | | (564) | | (564) | (100.0) |
| Special item - retirement litigation settlement | (31,979) | | | | (31,979) | | |
| Transfers | (15,900) | (22,306) | 15,900 | 22,306 | | | |
| Change in net assets | (63,018) | 11,980 | 2,098 | 8,719 | (60,920) | 20,699 | (394.3) |
| Net assets, beginning of year | 838,100 | 828,639 | 106,391 | 66,732 | 944,491 | 895,371 | 5.5 |
| Net assets, end of year | $ 775,082 | 840,619 | 108,489 | 75,451 | 883,571 | 916,070 | (3.5) % |

## Analysis of the Changes in Net Assets

The county's net assets decreased $60,920,000 during fiscal year 2003-2004. Generally, this resulted from a litigation settlement, an 8.6 percent increase in expenses outpacing a 7.1 percent increase in program revenues, and a 0.1 percent increase in general revenues. The changes are explained below in the governmental activities and business-type activities discussions.

### Governmental Activities



Governmental activities decreased the county's net assets by $63,018,000. In the prior year, governmental activities increased the county's net assets by $11,980,000. The largest factor was the Special Item – Retirement Litigation Settlement of $31,979,000 (for additional information see Note 16 in the "Notes to the Basic Financial Statements").

General government expenses increased approximately $18,000,000. This increase was primarily due to an increase of $6,000,000 for insurance coverage, an increase in the net pension asset amortization expense of approximately $4,000,000, and increased election costs of $2,000,000.

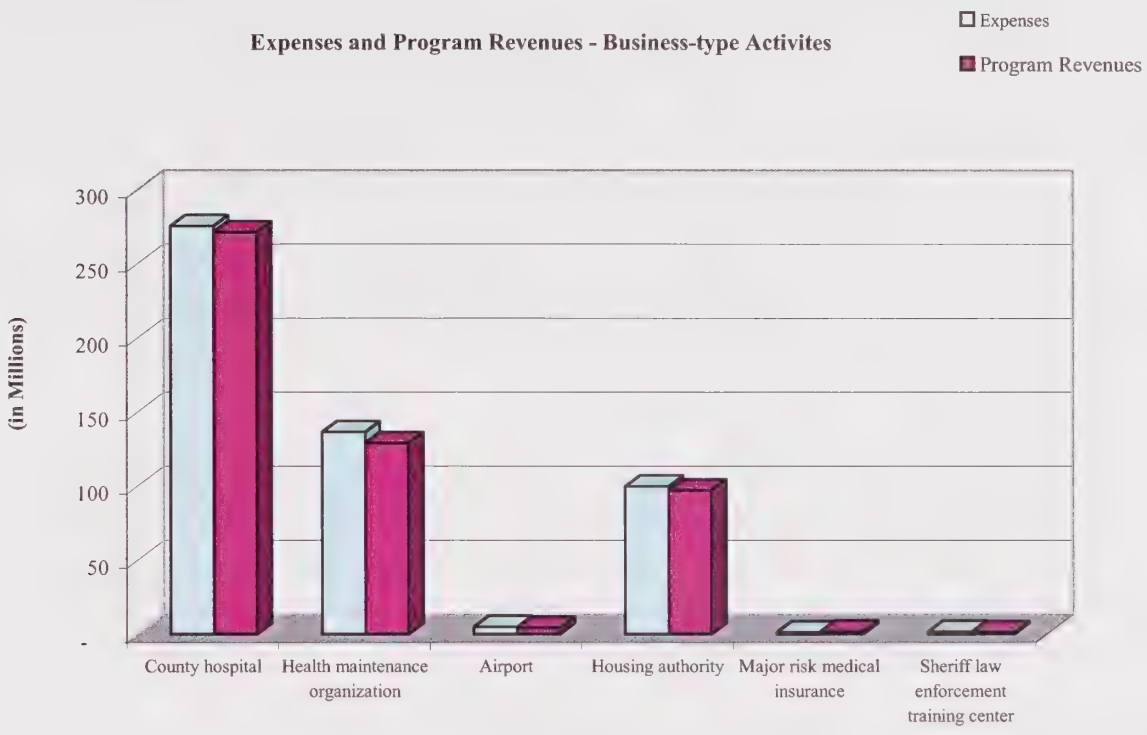
General government charges for services revenue increased primarily due to the county transferring $13,500,000 more of excess Tax Losses Reserve to revenue and receiving approximately $3,000,000 more in franchise fees due to utility rate increases than in the prior year.

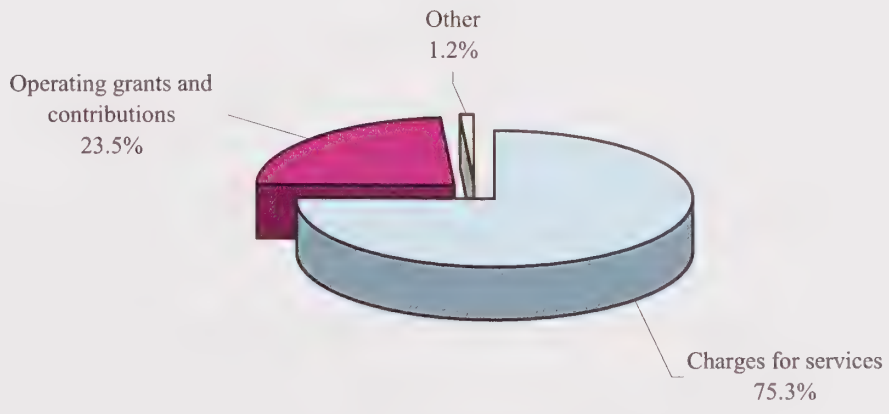
General government operating grants and contributions revenue decreased from its higher than usual amount in the prior year primarily due to a one-time grant of approximately $9,000,000 received in fiscal year 2002-2003 from the state Board of Corrections.

Property taxes increased $23,507,000 as a result of an 8.1 percent increase in assessed valuation. This increase was due to strength in the real estate market and construction activity in a period of historically low interest rates.

Grants/contributions not restricted decreased $13,694,000 due to reduced vehicle license fee backfill payments from the state.

**Business-type Activities**



Business-type activities increased the county's net assets by $2,098,000; this is down from the prior year's increase of $8,719,000. The difference was primarily due to decreased net transfers from governmental activities. Program expenses exceeded revenues in the County Hospital, Health Maintenance Organization, Airport, Housing Authority, and Sheriff Law Enforcement Training Center. The cost of medical services and supplies exceeded the increases in funding sources for the costs.

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is an analysis of the activities of the county's funds for fiscal year 2003-2004 as reported in the fund-basis statements.

### Governmental Funds

The focus of the county's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the county's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the county include the general, special revenue, debt service, capital projects and permanent funds.

As of June 30, 2004, the county's governmental funds reported combined ending fund balances of $457,509,000, an increase of $3,975,000 in comparison with the prior year. Approximately $354,352,000, or 77.5 percent of those fund balances, constitutes unreserved fund balances, which are available for spending at the county's discretion. The remainder of those fund balances is reserved to indicate that it is not available for new spending because it has already been committed as follows: (1) for encumbrances - to liquidate remaining contracts and purchase orders $42,975,000; (2) to reflect advances to other funds and inventories $7,718,000; (3) for payment of debt service $25,727,000; or (4) for miscellaneous other restricted purposes $26,737,000.

The General Fund is the primary operating fund of the county. At June 30, 2004, the unreserved fund balance of the General Fund was $75,888,000, a decrease of $21,637,000 in comparison to the prior year, while total fund balance was $119,886,000, a decrease of $18,683,000 in comparison to the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 7.5 percent of total General Fund expenditures, while total fund balance represents 11.9 percent. For the prior year, these figures were 12.5 percent and 18.3 percent, respectively.

The assets and liabilities of the General Fund were decreased from fiscal year 2002-2003 primarily due to the issuance of $55,000,000 of tax and revenue anticipation notes in that year that were redeemed November 17, 2003. The unreserved fund balance of the General Fund decreased primarily due to transfers to other funds to fund programs in which revenues did not grow to match the growth in expenditures (see Note 6 in the "Notes to the Basic Financial Statements"). General Fund revenues increased $42,641,000 and expenditures increased $29,133,000 in comparison to the prior year.

Licenses, permits and franchise fee revenues increased primarily due to the county receiving approximately $3,000,000 more in franchise fees due to utility rate increases. Fines, forfeitures and penalties revenues increased primarily due to the county transferring $13,500,000 more of excess Tax Losses Reserve to revenue.

General Fund public protection expenditures increased approximately $3,200,000 for trial courts, $3,600,000 for healthcare at the detention facilities, and $3,100,000 for emergency services. Health and sanitation expenditures increased primarily due to a $7,000,000 increase in mental health expenditures. Public assistance expenditures increased primarily due to $10,300,000 increased costs for services provided by the Employment and Human Services Department.

The Land Development Special Revenue Fund became a major fund in fiscal year 2003-2004 due to increased liabilities. Fees collected, but not yet earned, were recorded as deferred credits that resulted in total liabilities meeting the criteria for a major fund.

The RDA Capital Projects Fund became a major fund in fiscal year 2003-2004 due to increased cash and investments from unspent debt proceeds resulting in total assets meeting the criteria for a major fund.

**Proprietary Funds**

As mentioned earlier, the county's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets at June 30, 2004, was $23,592,000 for the County Hospital Enterprise Fund, $9,747,000 for the Health Maintenance Organization Enterprise Fund, $51,617,000 for the Housing Authority Enterprise Fund, and $24,514,000 for the other nonmajor enterprise funds. As a result of operations during the year, net assets of the County Hospital Enterprise Fund increased by $1,221,000, net assets of the Health Maintenance Organization Enterprise Fund increased by $501,000, net assets of the Housing Authority Enterprise Fund decreased by $2,191,000 , and net assets of the other nonmajor enterprise funds increased by $1,065,000.

Additionally, the beginning net assets of the Housing Authority Enterprise Fund was increased by $30,940,000 to reflect the Housing Authority's decision to report blended component units not previously reported (see Note 2 in the "Notes to the Basic Financial Statements"). The additional notes receivable and capital assets of the component units as well as increased HUD grant revenue resulted in the Fund's total assets and revenues meeting the criteria for a major fund.

Net assets of the internal service funds was a deficit of $48,596,000. As a result of operations during the year, net assets of the Workers' Compensation Insurance County General Internal Service Fund further decreased by $20,119,000, the net assets of the Workers' Compensation Insurance Fire Protection Internal Service Fund further decreased by $2,941,000, and the net assets of the other internal service funds decreased by $1,049,000. The county accelerated its Workers' Compensation claim processing to reduce the future effects of rising medical treatment costs, but this resulted in the actuary further increasing the reserve for benefits and claim expense. See Note 3 in the "Notes to the Basic Financial Statements" for further information.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The county's final budget differs from the original budget in that it contains carry-forward appropriations for various programs and projects and supplemental appropriations approved during the fiscal year. Total budgeted revenues were increased $74,406,000 or 7.5 percent, in the final budget. Actual revenues were less than final budgeted revenues by $20,254,000, or 1.9 percent. Total budgeted expenditures increased $93,684,000 or 9.2 percent, in the final budget. Actual expenditures were less than final budgeted expenditures by $111,078,000, or 9.9 percent. Significant factors impacting those changes were as follows:

### Original Budget vs. Final Budget

**Revenue Variances**

- Budgeted taxes were reduced when the state adopted its budget and eliminated Vehicle License Fee backfill payments to the county.
- Budgeted intergovernmental and other revenues were increased to re-budget for construction projects not completed in the prior year.

**Expenditure Appropriation Variances**

- The Final Budget for General Government - Plant Acquisition included re-appropriation for projects not completed in the prior year and additional appropriations for building and improvement projects that were funded during the current year.
- The Final Budget for Health and Sanitation – Medical Disproportionate Share as determined by the state was higher than expected.
- The Final Budget for Public Assistance – Community Development was reduced due to reduced Housing and Urban Development Department Block Grants.
- The Final Budget for Public Assistance – EHSD Aging and Adult was increased to reflect actual state and federal allocations in Medi-Cal, Food Stamps, and IHSS after the state passed its budget.
- The Final Budget for Public Assistance – EHSD Workforce Services was increased to reflect actual state and federal allocations in CalWorks after the state passed its budget.

### Final Budget vs. Actual Amounts

**Revenue Variances**

- Fines, forfeitures and penalties revenue was higher than budgeted because the Board of Supervisors allocated $12,000,000 from the Tax Losses Reserve Fund to help fund county programs.
- Other revenue was less than expected because state and federal reimbursements were less than expected.

**Expenditure Variances**

- General Government – Plant Acquisition expenditures were less than budgeted because the budget included appropriations for various building improvement and construction projects that were not completed during the year.
- The Public Assistance – EHSD Workforce Services expenditures were less than budgeted because of hiring freezes and other spending constraints to help offset funding reductions by the state.

## CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

### Capital Assets

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

**COUNTY'S CHANGES IN CAPITAL ASSETS**
(Net of Depreciation)
(In Thousands)

| | Governmental activities | | Business-type activities | | Total | | Increase/ (Decrease) |
|---|---|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | Percent Change |
| Infrastructure | $ 255,543 | 248,399 | | | 255,543 | 248,399 | 2.9 % |
| Land | 62,052 | 62,016 | 12,245 | 12,250 | 74,297 | 74,266 | |
| Structures and improvements | 255,953 | 232,032 | 152,149 | 132,471 | 408,102 | 364,503 | 12.0 |
| Equipment | 41,824 | 45,866 | 11,925 | 12,659 | 53,749 | 58,525 | (8.2) |
| Construction in progress | 76,598 | 83,366 | 25,712 | 48,433 | 102,310 | 131,799 | (22.4) |
| Total | $ 691,970 | 671,679 | 202,031 | 205,813 | 894,001 | 877,492 | 1.9 % |

The county's investment in capital assets for its governmental and business-type activities as of June 30, 2004, amount to $894,001,000 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, drainage systems, and bridges. The total increase in the county's investment in capital assets for fiscal year 2003-2004 was 1.9 percent (a 3.0 percent increase for governmental activities and a 1.8 percent decrease in business-type acitivities).

New investment in capital assets was constrained by the county's limited resources. Structures and improvements were increased and construction in progress was reduced due to the completion of several projects during the year.

Major capital asset events during fiscal year 2003-2004 included the following:

- The completion of the Family Law Center at a total cost of $12,101,000.
- The completion of an Animal Services Department Adoption Center in Pinole at a total cost of $1,441,000.

- The completion of various Headstart facilities at a total cost of $4,832,000.
- The completion of additional Employment and Human Services Department's office facilities in Antioch at a total cost of $8,425,000.
- The completion of the Martinez Health Center previously called the Hospital Ambulatory Care Clinic at a total cost of $17,350,000.
- The completion of the Pittsburg Health Center at a total cost of $7,398,000.
- Construction in progress on a 242-bed expansion of Juvenile Hall for the Probation Department amounted to $4,802,000 for the year.
- Construction in progress on a new shelter in Martinez for the Animal Services Department amounted to $2,685,000 for the year.
- Construction in progress for a new Discovery House for the Health Services Department amounted to $2,364,000 for the year.

At June 30, 2004, the county had construction commitments totaling $2,004,000 as described in Note 19.E in the "Notes to the Basic Financial Statements." Additional information on the county's capital assets can be found in Note 7 in the "Notes to the Basic Financial Statements."

**Long-Term Debt**

Long-term debt for the governmental and business-type activities are presented below to illustrate changes from the prior year:

**COUNTY'S OUTSTANDING DEBT**
Capital Lease Obligations, Certificates of Participation, Pension Obligation Bonds, Retirement Litigation Settlement, Notes Payable, Other Bonds Payable, Lease Revenue Bonds, Tax Allocation Bonds and Special Assessment Debt
(In Thousands)

| | Governmental activities | | Business-type activities | | Total | | Increase/ (Decrease) |
|---|---|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | Percent Change |
| Capital lease obligations | $ 12,235 | 15,330 | 3,017 | 3,555 | 15,252 | 18,885 | (19.2) % |
| Certificates of participation | 30,555 | 31,700 | 125,250 | 128,980 | 155,805 | 160,680 | (3.0) |
| Pension obligation bonds | 569,220 | 587,220 | | | 569,220 | 587,220 | (3.1) |
| Retirement litigation settlement | 30,352 | | | | 30,352 | | 100.0 |
| Notes payable | 516 | | 7,268 | 562 | 7,784 | 562 | 1,285.1 |
| Other bonds payable | 6,130 | 7,140 | | | 6,130 | 7,140 | (14.1) |
| Lease revenue bonds | 142,715 | 130,960 | 30,320 | 31,050 | 173,035 | 162,010 | 6.8 |
| Tax allocation bonds | 84,295 | 53,580 | | | 84,295 | 53,580 | 57.3 |
| Special assessment debt | 15,654 | 17,222 | | | 15,654 | 17,222 | (9.1) |
| Total | $ 891,672 | 843,152 | 165,855 | 164,147 | 1,057,527 | 1,007,299 | 5.0 % |

At June 30, 2004, the county had total long-term debt outstanding of $1,057,527,000. The county's legal debt limit was $5,453,627,000. The county's total debt increased by $50,228,000 or 5.0 percent, during fiscal year 2003-2004.

The county's underlying long-term ratings are as follows:

| Type of Issue | Moody's | S&P |
|---|---|---|
| Issuer rating/implied general obligation bond rating | Aa2 | AA |
| Pension obligation bonds | Aa3 | AA- |
| Lease revenue bonds/certificates of participation | A1 | A+ |

Moody's has assigned a negative outlook to the county's long-term ratings, as it has done on all California county ratings. S&P has assigned a stable outlook to the county's ratings.

The county has been able to purchase municipal bond insurance policies on its pension bonds, lease revenue bonds, and certificates of participation; thereby, resulting in those securities being rated Aaa by Moody's and AAA by S&P.

There was no change in the county's ratings during fiscal year 2003-2004.

Additional information of the county's long-term debt can be found in Note 11 in the "Notes to the Basic Financial Statements."

## KNOWN FACTS, DECISIONS AND CONDITIONS THAT ARE EXPECTED TO HAVE A SIGNIFICANT EFFECT ON FINANCIAL POSITION OR RESULTS OF OPERATIONS

- Proposition 1A was approved by the voters on November 2, 2004. It will enable the county to have more predictable and stable local revenues. Proposition 1A constitutionally protects county property taxes, the county's portion of the existing Bradley-Burns sales tax rate, and local sales tax add-ons. It retains the existing funding shift from the county to school districts (Educational Revenue Augmentation Fund-ERAF) and allows for the additional two-year shift noted below. It prohibits the state from permanently increasing the amount of those shifts in future. Proposition 1A also protects Vehicle License Fee (VLF) backfill revenue ($68,812,000 for fiscal year 2004-2005). The county VLF backfill will be replaced with a like amount of property taxes that are constitutionally protected. Proposition 1A requires repayment in fiscal year 2006-2007 of the $20,408,000 portion of the fiscal year 2003-2004 VLF backfill that was not reimbursed. Beginning July 1, 2005, the proposition provides that the state must annually reimburse the county for state-mandated programs or the county may discontinue the programs.

- The state Legislature and the Governor enacted legislation that will require the county General Fund, county special districts, and the Redevelopment Agency to shift additional property taxes to the schools and community college for two years. For each of the fiscal years 2004-2005 and 2005-2006, $9,266,000, $818,000, and $806,000 of property taxes of the county General Fund, county special districts, and Redevelopment Agency, respectively, are shifted to the schools and community college.

- General Fund subsidies to the County Hospital and Health Maintenance Organization were $35,311,000 and $8,281,000, respectively. State budget cuts are expected and costs continue to rise more rapidly than revenue. Even with cost containment efforts in place, similar subsidies are expected to recur in fiscal year 2004-2005.

- All of the facts, decisions and conditions listed above were considered in preparing the county's budget for fiscal year 2004-2005.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the county's finances for all those with an interest in the county's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Auditor-Controller, 625 Court Street, Room 103, Martinez, CA 94553-1282.

COUNTY OF CONTRA COSTA
**STATEMENT OF NET ASSETS**
JUNE 30, 2004
(In Thousands)

| | Primary Government | | | Component Unit |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | FIRST 5 Contra Costa Children and Families Commission |
| **Assets:** | | | | |
| Cash and investments | $ 483,825 | 91,886 | 575,711 | 46,417 |
| Receivables (net) | 139,716 | 25,891 | 165,607 | 2,008 |
| Inventories | 1,625 | 906 | 2,531 | |
| Internal balances | 4,302 | (4,302) | | |
| Due from fiduciary funds | 23,208 | 2,271 | 25,479 | |
| Due from component unit | 2,118 | | 2,118 | |
| Notes receivable | 46,968 | 28,251 | 75,219 | |
| Prepaid items and deposits | 12,063 | 4,065 | 16,128 | 7 |
| Other current assets | | 3,935 | 3,935 | |
| Land held for resale | 680 | | 680 | |
| Prepaid pension asset | 557,675 | | 557,675 | |
| Restricted assets: | | | | |
| Restricted cash and investments | | 10,780 | 10,780 | |
| Capital assets: | | | | |
| Nondepreciable | 138,650 | 37,957 | 176,607 | |
| Depreciable, net | 553,320 | 164,074 | 717,394 | |
| **Total Assets** | 1,964,150 | 365,714 | 2,329,864 | 48,432 |
| **Liabilities:** | | | | |
| Accounts payable and accrued liabilities | 78,293 | 52,882 | 131,175 | 460 |
| Accrued interest payable | 6,668 | 2,123 | 8,791 | |
| Due to primary government | | | | 2,118 |
| Welfare program advances | 7,068 | | 7,068 | |
| Deferred revenue | 50,151 | 31,841 | 81,992 | 874 |
| Loans payable | | 2,629 | 2,629 | |
| Noncurrent liabilities: | | | | |
| Due within one year | 61,317 | 6,803 | 68,120 | |
| Due in more than one year | 985,571 | 160,947 | 1,146,518 | |
| **Total Liabilities** | 1,189,068 | 257,225 | 1,446,293 | 3,452 |
| **Net Assets:** | | | | |
| Invested in capital assets, net of related debt | 400,332 | 52,808 | 453,140 | |
| Restricted for: | | | | |
| Legally segregated taxes, grants and fees | 276,317 | | 276,317 | |
| Debt service | 25,570 | 10,535 | 36,105 | |
| Permanent Fund: | | | | |
| Expendable | 181 | | 181 | |
| Nonexpendable | 1,729 | | 1,729 | |
| Children's programs | | | | 30,289 |
| Unrestricted | 70,953 | 45,146 | 116,099 | 14,691 |
| **Total Net Assets** | $ 775,082 | 108,489 | 883,571 | 44,980 |

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
**STATEMENT OF ACTIVITIES**
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(In Thousands)

| Function/Program Activities: | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|
| **Primary Government:** | | | | |
| Governmental activities: | | | | |
| General government | $ 103,796 | 94,121 | 9,496 | |
| Public protection | 421,782 | 119,133 | 121,049 | 50 |
| Health and sanitation | 220,135 | 66,577 | 85,820 | |
| Public assistance | 391,906 | 1,456 | 314,630 | |
| Education | 20,217 | 984 | 2,768 | |
| Public ways and facilities | 56,983 | 25,273 | 6,143 | 6,074 |
| Recreation and culture | 1,294 | 36 | 232 | |
| Interest on debt | 48,072 | | | |
| **Total Governmental Activities** | 1,264,185 | 307,580 | 540,138 | 6,124 |
| Business-type activities: | | | | |
| County hospital | 275,301 | 247,712 | 19,281 | 4,201 |
| Health maintenance organization | 136,374 | 123,488 | 5,422 | |
| Airport | 4,668 | 3,065 | 1,069 | |
| Housing authority | 99,676 | 3,667 | 92,410 | 1,000 |
| Major risk medical insurance | 1,104 | 1,723 | | |
| Sheriff law enforcement training center | 1,435 | 705 | 392 | |
| **Total Business-type Activities** | 518,558 | 380,360 | 118,574 | 5,201 |
| **Total Primary Government** | $ 1,782,743 | 687,940 | 658,712 | 11,325 |
| **Component Unit:** | | | | |
| FIRST 5 Contra Costa Children and Families Commission | $ 10,006 | | 55 | |
| GENERAL REVENUES: | | | | |
| Taxes: | | | | |
| Property | | | | |
| Sales | | | | |
| Other | | | | |
| Grants/contributions not restricted | | | | |
| Investment earnings | | | | |
| Other | | | | |
| SPECIAL ITEM - Retirement Litigation Settlement | | | | |
| TRANSFERS | | | | |
| Total general revenues and transfers | | | | |
| Change in net assets | | | | |
| NET ASSETS, BEGINNING OF YEAR | | | | |
| Adjustments to beginning net assets | | | | |
| NET ASSETS, BEGINNING OF YEAR, AS RESTATED | | | | |
| NET ASSETS, END OF YEAR | | | | |

See accompanying notes to the basic financial statements.

| Net (Expenses) Revenues and Changes in Net Assets | | | Component Unit |
|---|---|---|---|
| Governmental Activities | Business-type Activities | Total | FIRST 5 Contra Costa Children and Families Commission |
| (179) | | (179) | |
| (181,550) | | (181,550) | |
| (67,738) | | (67,738) | |
| (75,820) | | (75,820) | |
| (16,465) | | (16,465) | |
| (19,493) | | (19,493) | |
| (1,026) | | (1,026) | |
| (48,072) | | (48,072) | |
| (410,343) | | (410,343) | |
| | (4,107) | (4,107) | |
| | (7,464) | (7,464) | |
| | (534) | (534) | |
| | (2,599) | (2,599) | |
| | 619 | 619 | |
| | (338) | (338) | |
| | (14,423) | (14,423) | |
| (410,343) | (14,423) | (424,766) | |
| | | | (9,951) |
| $ | | | |
| 250,620 | | 250,620 | |
| 10,310 | | 10,310 | |
| 15,782 | | 15,782 | 12,745 |
| 69,341 | | 69,341 | |
| 13,336 | 12 | 13,348 | 479 |
| 35,815 | 609 | 36,424 | 1 |
| (31,979) | | (31,979) | |
| (15,900) | 15,900 | | |
| 347,325 | 16,521 | 363,846 | 13,225 |
| (63,018) | 2,098 | (60,920) | 3,274 |
| 840,619 | 75,451 | 916,070 | 41,706 |
| (2,519) | 30,940 | 28,421 | |
| 838,100 | 106,391 | 944,491 | 41,706 |
| $ 775,082 | 108,489 | 883,571 | 44,980 |

COUNTY OF CONTRA COSTA
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
JUNE 30, 2004
(In Thousands)

| | General | Land Development Special Revenue | Redevelopment Agency Capital Projects | Nonmajor | Total |
|---|---|---|---|---|---|
| **Assets:** | | | | | |
| Cash and investments | $ 23,662 | 47,876 | 68,812 | 273,057 | 413,407 |
| Accounts receivable and accrued revenue (net) | 120,737 | 377 | 437 | 16,086 | 137,637 |
| Inventories | 1,625 | | | | 1,625 |
| Due from other funds | 67,174 | 957 | 1,053 | 6,306 | 75,490 |
| Due from component unit | 2,118 | | | | 2,118 |
| Advances to other funds | | | | 6,102 | 6,102 |
| Notes receivable | 36,544 | | 61 | 10,363 | 46,968 |
| Prepaid items and deposits | 8,394 | 14 | | 1,709 | 10,117 |
| Land held for resale | | | 236 | 444 | 680 |
| **Total Assets** | $ 260,254 | 49,224 | 70,599 | 314,067 | 694,144 |
| **Liabilities and Fund Balances** | | | | | |
| **Liabilities:** | | | | | |
| Accounts payable and accrued liabilities | $ 58,723 | 1,198 | 798 | 17,574 | 78,293 |
| Due to other funds | 14,519 | 1,595 | 1,080 | 30,242 | 47,436 |
| Welfare program advances | 7,065 | | | 3 | 7,068 |
| Advances from other funds | | | 1,372 | 4,730 | 6,102 |
| Deferred revenue | 60,061 | 23,408 | 289 | 13,978 | 97,736 |
| **Total Liabilities** | 140,368 | 26,201 | 3,539 | 66,527 | 236,635 |
| **Fund Balances:** | | | | | |
| Reserved for: | | | | | |
| Encumbrances | 34,169 | 61 | 3,200 | 5,545 | 42,975 |
| Inventories | 1,625 | | | | 1,625 |
| Advances to other funds | | | | 6,093 | 6,093 |
| Prepaid items and deposits | 8,204 | 14 | | 1,709 | 9,927 |
| Land held for resale | | | 236 | 444 | 680 |
| Bond proceeds with eligibility restriction | | | 13,332 | | 13,332 |
| Child care facilities program | | | 558 | | 558 |
| Housing projects | | | | 511 | 511 |
| Debt service | | | | 25,727 | 25,727 |
| Nonexpendable permanent funds | | | | 1,729 | 1,729 |
| Unreserved, reported in: | | | | | |
| General fund | 75,888 | | | | 75,888 |
| Special revenue funds | | 22,948 | | 194,501 | 217,449 |
| Debt service funds | | | | 7,075 | 7,075 |
| Capital projects funds | | | 49,734 | 4,025 | 53,759 |
| Permanent fund | | | | 181 | 181 |
| **Total Fund Balances** | 119,886 | 23,023 | 67,060 | 247,540 | 457,509 |
| **Total Liabilities and Fund Balances** | $ 260,254 | 49,224 | 70,599 | 314,067 | 694,144 |

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

JUNE 30, 2004

(In Thousands)

| | | | |
|---|---|---|---|
| Fund balances - total governmental funds (page 22) | | | $ 457,509 |
| Amounts reported for governmental activities in the statement of net assets are different because: | | | |
| The pension assets resulting from contributions in excess of the annual required contribution are not financial resources and therefore not reported in the funds. | | | 557,675 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | | 691,970 |
| Accrued revenue, which is not available soon enough to pay for the current period's expenditures, is deferred in the governmental funds. | | | 617 |
| Notes receivable are not available to pay current-period expenditures and, therefore, are deferred in the governmental funds. | | | 46,968 |
| Internal service funds are used by management to charge the costs of self insurance to individual funds. The assets and liabilities of these funds, except for the medical liability insurance fund, are included as governmental activities in the statement of net assets. | | | (47,615) |
| Interest on long-term debt is recognized as it accrues, regardless of when it is due. | | | (6,668) |
| Costs of issuance on bonds are not recognized as current expenditures and are deferred. | $ 2,031 | | |
| Current year amortization of costs of issuance on bonds. | (85) | | 1,946 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds. | | | |
| Certificates of participation | | (30,555) | |
| Lease revenue bonds | | (142,715) | |
| Notes payable | | (516) | |
| Tax allocation bonds | | (84,295) | |
| Special assessment bonds | | (15,654) | |
| Other bonds payable | | (6,130) | |
| Pension obligation bonds | | (569,220) | |
| Retirement litigation settlement | | (30,352) | |
| Capital lease obligations | | (12,235) | |
| Compensated absences | | (36,110) | |
| Premiums, discounts and deferred amounts on refundings | | 462 | (927,320) |
| Net assets of governmental activities (page 19) | | | $ 775,082 |

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | General | Land Development Special Revenue | Redevelopment Agency Capital Projects | Nonmajor | Total |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Taxes | $ 210,032 | | 5,467 | 133,888 | 349,387 |
| Licenses, permits and franchise fees | 17,593 | 17,282 | | 3,725 | 38,600 |
| Fines, forfeitures and penalties | 27,443 | | | 4,258 | 31,701 |
| Use of money and property | 5,412 | 367 | 539 | 5,624 | 11,942 |
| Intergovernmental | 508,679 | 50 | 120 | 34,080 | 542,929 |
| Charges for services | 186,508 | 7,258 | | 43,508 | 237,274 |
| Other revenue | 88,489 | 6,260 | 57 | 32,535 | 127,341 |
| **Total Revenues** | 1,044,156 | 31,217 | 6,183 | 257,618 | 1,339,174 |
| **Expenditures:** | | | | | |
| Current: | | | | | |
| General government | 131,387 | | | 3,223 | 134,610 |
| Public protection | 294,449 | 17,490 | | 127,001 | 438,940 |
| Health and sanitation | 204,188 | | | 11,536 | 215,724 |
| Public assistance | 335,236 | | 8,255 | 57,382 | 400,873 |
| Education | 306 | | | 19,242 | 19,548 |
| Public ways and facilities | 38,419 | 9,378 | | 34,939 | 82,736 |
| Recreation and culture | | | | 1,337 | 1,337 |
| Debt service: | | | | | |
| Principal | | | | 30,953 | 30,953 |
| Bond issuance cost | | | 654 | 568 | 1,222 |
| Interest | 432 | | 24 | 47,235 | 47,691 |
| Capital outlay | 1,973 | | | | 1,973 |
| **Total Expenditures** | 1,006,390 | 26,868 | 8,933 | 333,416 | 1,375,607 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | 37,766 | 4,349 | (2,750) | (75,798) | (36,433) |
| **Other Financing Sources (Uses):** | | | | | |
| Transfers in | 30,288 | 12 | 311 | 50,276 | 80,887 |
| Transfers out | (87,978) | (362) | (1,045) | (9,998) | (99,383) |
| Proceeds from the sale of real estate | | | | 500 | 500 |
| Proceeds from issuance of debt | | | 32,004 | 32,286 | 64,290 |
| Premium on debt issuance | | | | 21 | 21 |
| Discount on debt issued | | | (583) | (38) | (621) |
| Payment to refunded bond escrow agent | | | | (7,259) | (7,259) |
| Capital lease financing | 1,973 | | | | 1,973 |
| **Total Other Financing Sources (Uses)** | (55,717) | (350) | 30,687 | 65,788 | 40,408 |
| **Net Change in Fund Balances** | (17,951) | 3,999 | 27,937 | (10,010) | 3,975 |
| **Fund Balances at Beginning of Year, as Previously Reported** | 138,569 | 19,024 | 39,123 | 257,369 | 454,085 |
| Adjustments to beginning fund balances | (732) | | | 181 | (551) |
| **Fund Balances at Beginning of Year, as Restated** | 137,837 | 19,024 | 39,123 | 257,550 | 453,534 |
| **Fund Balances at End of Year** | $ 119,886 | 23,023 | 67,060 | 247,540 | 457,509 |

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | | |
|---|---|---|
| Net change in fund balances - total governmental funds (page 24) | | $ 3,975 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Revenues that were deferred in the governmental funds because they were unavailable are reported as current revenue. | | 6,921 |
| Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | | |
| Expenditures for capital assets | $ 62,213 | |
| Less loss on sale/retirement of capital assets | (3,821) | |
| Less current year depreciation | (38,101) | 20,291 |
| Some income reported in the governmental funds was previously reported in the statement of activities and therefore is not reported as current income. | | (1,080) |
| Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. | | |
| Proceeds from lease revenue bonds | (18,500) | |
| Proceeds from tax allocation bonds | (45,790) | |
| Net premiums and discounts from lease revenue and tax allocation bonds | 600 | |
| Payment to refunded bond escrow agent - tax allocation bonds including deferred amount on refunding | 7,259 | |
| Deferral of bond issuance cost | 1,222 | |
| Principal payments | 30,953 | |
| City of Oakley (private purpose trust fund) payoff of their portion of the county's 1999 tax allocation bond | 7,140 | |
| Capital lease payments | 6,501 | |
| Issuance of capital lease | (1,973) | (12,588) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| Change in long-term compensated absences | (407) | |
| Amortization of pension asset | (22,148) | |
| Amortization of bond issuance cost | (85) | |
| Net amortization of premiums, discounts, and deferred amounts on refunding | 8 | |
| Change in accrued interest payable | (315) | (22,947) |
| The retirement litigation settlement resulted in a long-term liability that is due and payable over twenty years. Future payments do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | (31,979) |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities. | | (25,611) |
| Change in net assets of governmental activities (page 21) | | $ (63,018) |

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

**STATEMENT OF NET ASSETS**

**PROPRIETARY FUNDS**

JUNE 30, 2004*

(In Thousands)

| | Enterprise Funds | | | | | |
|---|---|---|---|---|---|---|
| | County Hospital | Health Maintenance Organization | Housing Authority | Nonmajor | Total | Internal Service |
| **Assets:** | | | | | | |
| Current assets: | | | | | | |
| Cash and investments | $ 52,112 | 32,931 | 443 | 1,193 | 86,679 | 75,625 |
| Accounts receivable and accrued revenue (net) | 19,831 | 1,798 | 3,952 | 310 | 25,891 | 2,079 |
| Inventories | 900 | | | 6 | 906 | |
| Due from other funds | 9,392 | 6,459 | | 49 | 15,900 | 828 |
| Notes receivable | | | 28,251 | | 28,251 | |
| Prepaid items and deposits | 3,749 | 55 | 206 | 55 | 4,065 | |
| Other assets | | | 3,935 | | 3,935 | |
| Total Current Assets | 85,984 | 41,243 | 36,787 | 1,613 | 165,627 | 78,532 |
| Noncurrent assets: | | | | | | |
| Restricted cash and investments | 10,780 | | | | 10,780 | |
| Capital assets: | | | | | | |
| Nondepreciable | 15,551 | | 11,862 | 10,544 | 37,957 | |
| Depreciable, net | 132,012 | 69 | 16,237 | 15,756 | 164,074 | |
| Total Noncurrent Assets | 158,343 | 69 | 28,099 | 26,300 | 212,811 | |
| **Total Assets** | 244,327 | 41,312 | 64,886 | 27,913 | 378,438 | 78,532 |
| **Liabilities and Net Assets** | | | | | | |
| **Liabilities:** | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable and accrued liabilities | 25,097 | 25,477 | 1,856 | 452 | 52,882 | |
| Accrued interest payable | 1,271 | | 831 | 21 | 2,123 | |
| Due to other funds | 11,242 | 5,776 | | 865 | 17,883 | 1,420 |
| Deferred revenue | 31,227 | | 614 | | 31,841 | |
| Loans payable | | | 2,629 | | 2,629 | |
| Current portion of long-term liabilities | 4,972 | 31 | 365 | 396 | 5,764 | 28,588 |
| Total Current Liabilities | 73,809 | 31,284 | 6,295 | 1,734 | 113,122 | 30,008 |
| Noncurrent portion of long-term liabilities: | | | | | | |
| Capital lease obligations | 1,201 | | | 1,254 | 2,455 | |
| Certificates of participation, net | 109,099 | | | | 109,099 | |
| Compensated absences | 7,009 | 281 | 63 | 98 | 7,451 | |
| Claims payable | | | | | | 97,120 |
| Bonds and notes payable, net | 29,617 | | 6,911 | 313 | 36,841 | |
| Total Noncurrent Liabilities | 146,926 | 281 | 6,974 | 1,665 | 155,846 | 97,120 |
| **Total Liabilities** | 220,735 | 31,565 | 13,269 | 3,399 | 268,968 | 127,128 |
| **Net Assets (Deficit):** | | | | | | |
| Invested in capital assets, net of related debt | 3,453 | 69 | 24,937 | 24,349 | 52,808 | |
| Restricted for debt service | 10,535 | | | | 10,535 | |
| Unrestricted (Deficit) | 9,604 | 9,678 | 26,680 | 165 | 46,127 | (48,596) |
| **Total Net Assets (Deficit)** | $ 23,592 | 9,747 | 51,617 | 24,514 | 109,470 | (48,596) |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. | | | | | (981) | |
| Net assets of business-type activities (page 19) | | | | | $ 108,489 | |

See accompanying notes to the basic financial statements.

* Housing Authority Funds reported as of March 31, 2004.

COUNTY OF CONTRA COSTA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

**PROPRIETARY FUNDS**

FOR THE YEAR ENDED JUNE 30, 2004*

(In Thousands)

| | Enterprise Funds | | | | | |
|---|---|---|---|---|---|---|
| | County Hospital | Health Maintenance Organization | Housing Authority | Nonmajor | Total | Internal Service |
| **Operating Revenues:** | | | | | | |
| Use of money and property | $ 242 | 310 | | 3,073 | 3,625 | |
| Charges for services | 247,471 | 123,177 | 3,667 | 2,420 | 376,735 | 36,072 |
| Other revenue | 18 | | 396 | 195 | 609 | |
| **Total Operating Revenues** | 247,731 | 123,487 | 4,063 | 5,688 | 380,969 | 36,072 |
| **Operating Expenses:** | | | | | | |
| Salaries and employee benefits | 171,886 | 7,701 | 9,547 | 2,241 | 191,375 | |
| Services and supplies | 72,812 | 128,659 | | 2,162 | 203,633 | 10,561 |
| Benefit and claim expense | | | | | | 57,610 |
| Other charges | 11,307 | | 87,115 | 739 | 99,161 | |
| Depreciation | 7,059 | 12 | 3,014 | 1,964 | 12,049 | |
| **Total Operating Expenses** | 263,064 | 136,372 | 99,676 | 7,106 | 506,218 | 68,171 |
| Operating loss | (15,333) | (12,885) | (95,613) | (1,418) | (125,249) | (32,099) |
| **Nonoperating Revenues (Expenses):** | | | | | | |
| State and federal grants | 19,281 | 5,422 | 92,410 | 1,461 | 118,574 | |
| Investment income | | | 11 | 1 | 12 | 1,394 |
| Interest expense | (9,739) | (2) | | (102) | (9,843) | |
| Gain/(Loss) on disposal of fixed assets | | | 1 | | 1 | |
| **Total Nonoperating Revenues (Expenses)** | 9,542 | 5,420 | 92,422 | 1,360 | 108,744 | 1,394 |
| **Loss before Capital Contributions and Transfers** | (5,791) | (7,465) | (3,191) | (58) | (16,505) | (30,705) |
| Capital contributions | 4,201 | | 1,000 | | 5,201 | |
| Transfers in | 35,311 | 8,281 | | 1,227 | 44,819 | 6,596 |
| Transfers out | (32,500) | (315) | | (104) | (32,919) | |
| **Change in Net Assets** | 1,221 | 501 | (2,191) | 1,065 | 596 | (24,109) |
| **Total Net Assets at Beginning of the Year, as Previously Reported** | 22,371 | 9,246 | 22,868 | 23,449 | 77,934 | (24,487) |
| Adjustments to beginning net assets | | | 30,940 | | 30,940 | |
| **Total Net Assets at Beginning of the Year, as Restated** | 22,371 | 9,246 | 53,808 | 23,449 | 108,874 | (24,487) |
| **Total Net Assets at End of Year** | $ 23,592 | 9,747 | 51,617 | 24,514 | 109,470 | (48,596) |

Reconciliation of enterprise funds change in net assets to statement of activities:

| | |
|---|---|
| Change in net assets of enterprise funds. | $ 596 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. | 1,502 |
| Change in net assets of business-type activities (page 21) | $ 2,098 |

See accompanying notes to the basic financial statements.

* Housing Authority Funds reported as of March 31, 2004.

COUNTY OF CONTRA COSTA
**STATEMENT OF CASH FLOWS**
**PROPRIETARY FUNDS**
FOR THE FISCAL YEAR ENDED JUNE 30, 2004*
(In Thousands)

| | Enterprise Funds | | | | | |
|---|---|---|---|---|---|---|
| | County Hospital | Health Maintenance Organization | Housing Authority | Nonmajor | Total | Internal Service |
| **Cash Flows from Operating Activities:** | | | | | | |
| Cash received from customers/other funds | $ 250,119 | 137,080 | 2,774 | 6,175 | 396,148 | 36,188 |
| Cash payment to suppliers for goods and services | (90,107) | (138,985) | (87,598) | (3,482) | (320,172) | (48,870) |
| Cash payment to employees for services | (169,676) | (7,701) | (9,546) | (2,202) | (189,125) | |
| **Net Cash Provided by (Used for) Operating Activites** | (9,664) | (9,606) | (94,370) | 491 | (113,149) | (12,682) |
| **Cash Flows from Noncapital Financing Activities:** | | | | | | |
| State and federal grants | 19,281 | 5,422 | 92,410 | 1,461 | 118,574 | |
| Transfers received | 35,311 | 8,281 | | 1,227 | 44,819 | 6,596 |
| Transfers paid | (32,500) | (315) | | (104) | (32,919) | |
| Due to other funds | | | | (913) | (913) | |
| **Net Cash Provided by Noncapital Financing Activities** | 22,092 | 13,388 | 92,410 | 1,671 | 129,561 | 6,596 |
| **Cash Flows from Capital and Related Financing Activities** | | | | | | |
| Proceeds from long term borrowings | | | 4,556 | | 4,556 | |
| Capital contributions | 4,201 | | 4,581 | | 8,782 | |
| Acquisition and construction of capital assets | (5,393) | | (9,600) | (1,263) | (16,256) | |
| Interest paid | (9,739) | (2) | | (124) | (9,865) | |
| Lease purchase obligation principal payment | (202) | | | (333) | (535) | |
| Principal paid on bonds and certificates | (3,025) | | | (64) | (3,089) | |
| Payment on other noncurrent obligations | (836) | | | | (836) | |
| **Net Cash Used for Capital and Related Financing Activities** | (14,994) | (2) | (463) | (1,784) | (17,243) | |
| **Cash Flows from Investing Activities:** | | | | | | |
| Interest received on investments | | | | 1 | 1 | 1,394 |
| Investments, net | | | 1,784 | | 1,784 | |
| **Net Cash Used for Investing Activities** | | | 1,784 | 1 | 1,785 | 1,394 |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | (2,566) | 3,780 | (639) | 379 | 954 | (4,692) |
| **Cash and Cash Equivalents at Beginning of Year** | 65,458 | 29,151 | 5,630 | 814 | 101,053 | 80,317 |
| Adjustments to beginning cash and cash equivalents | | | (4,548) | | (4,548) | |
| **Cash and Cash Equivalents at Beginning of Year, as Restated** | 65,458 | 29,151 | 1,082 | 814 | 96,505 | 80,317 |
| **Cash and Cash Equivalents at End of Year** | $ 62,892 | 32,931 | 443 | 1,193 | 97,459 | 75,625 |

(continued)

COUNTY OF CONTRA COSTA
**STATEMENT OF CASH FLOWS**
**PROPRIETARY FUNDS**
FOR THE FISCAL YEAR ENDED JUNE 30, 2004*
(In Thousands)

| | Enterprise Funds | | | | | |
|---|---|---|---|---|---|---|
| | County Hospital | Health Maintenance Organization | Housing Authority | Nonmajor | Total | Internal Service |
| **Reconciliation of Operating Loss to Net Cash Used for Operating Activities:** | | | | | | |
| Operating loss | $ (15,333) | (12,885) | (95,613) | (1,418) | (125,249) | (32,099) |
| Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities: | | | | | | |
| Depreciation | 7,059 | 12 | 3,014 | 1,964 | 12,049 | |
| Changes in operating assets and liabilities: | | | | | | |
| Decrease (increase) in: | | | | | | |
| Accounts receivable and accrued revenue, net | (604) | 844 | (1,760) | 474 | (1,046) | 211 |
| Inventories | 28 | | | | 28 | |
| Due from other funds | 4,014 | 12,749 | | 13 | 16,776 | (95) |
| Prepaid items and deposits | (204) | 130 | | (2) | (76) | |
| Notes receivable | | | (246) | | (246) | |
| Increase (decrease) in: | | | | | | |
| Accounts payable and accrued liabilities | 817 | 897 | 560 | (394) | 1,880 | 19,716 |
| Employee benefits payable | 1,434 | 10 | | 23 | 1,467 | |
| Due to other funds | (6,629) | (11,353) | | (185) | (18,167) | (415) |
| Deferred revenue | (1,022) | | (369) | | (1,391) | |
| Tenants deposit | | | 14 | | 14 | |
| Compensated absences | 776 | (10) | 30 | 16 | 812 | |
| **Net Cash Provided by (Used for) Operating Activities** | $ (9,664) | (9,606) | (94,370) | 491 | (113,149) | (12,682) |
| **Noncash capital financing activities** | | | | | | |
| Accrued interest | $ 33 | | | 4 | 37 | |
| Debt amortization | 703 | | | 4 | 707 | |
| | | | | | | (concluded) |

See accompanying notes to the basic financial statements.
* Housing Authority Funds reported as of March 31, 2004.

COUNTY OF CONTRA COSTA

**STATEMENT OF FIDUCIARY NET ASSETS**

**FIDUCIARY FUNDS**

JUNE 30, 2004

(In Thousands)

| | Pension Trust* | Investment Trust | Private-Purpose Trust | Agency |
|---|---|---|---|---|
| **Assets:** | | | | |
| Cash and investments | $ 3,491,562 | 1,166,004 | 2,644 | $ 147,545 |
| Cash collateral - securities lending | 207,256 | | | |
| Receivables | 371,813 | | 135 | 42,524 |
| Due from other funds | 4,408 | 1,391 | 2 | 8,510 |
| Taxes receivables | | | | 172,773 |
| Prepaid items and deposits | 441 | | | 275 |
| Capital assets, net | 360 | | | |
| **Total Assets** | 4,075,840 | 1,167,395 | 2,781 | $ 371,627 |
| **Liabilities:** | | | | |
| Warrants outstanding | | 66,893 | | $ 42,229 |
| Accounts payable and accrued liabilities | 554,678 | | 50 | 96,196 |
| Employee benefits payable | 411 | | | |
| Due to other funds | | 2,290 | 3 | 38,993 |
| Security lending | 207,256 | | | |
| Unapportioned taxes | | | | 87,153 |
| Tax loss guarantees | | | | 20,168 |
| Due to other agencies | | | | 86,888 |
| **Total Liabilities** | 762,345 | 69,183 | 53 | $ 371,627 |
| **Net Assets:** | | | | |
| Held for: | | | | |
| Employees' pension benefits | 3,313,495 | | | |
| Participation in individually directed investment accounts | | 1,098,212 | 2,728 | |
| **Total Net Assets** | $ 3,313,495 | 1,098,212 | 2,728 | |

* Pension Trust Fund reported as of December 31, 2003.

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**

**FIDUCIARY FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Pension Trust* | Investment Trust | Private-Purpose Trust |
|---|---|---|---|
| **Additions:** | | | |
| Employer contributions | $ 427,823 | | |
| Employee contributions | 51,603 | | |
| Contributions to investment accounts | | 2,857,811 | |
| Paulson cost reimbursement | 34,230 | | |
| Other revenue | | | 2,315 |
| Net investment income (loss) | 621,895 | 3,168 | 50 |
| Investment expense | (13,320) | | |
| **Total Additions** | 1,122,231 | 2,860,979 | 2,365 |
| **Deductions:** | | | |
| Benefits paid | 163,923 | | |
| Refunds of contributions | 1,037 | | |
| Distribution from investment accounts | | 2,820,555 | |
| Administrative and other expenses | 4,292 | | 6,611 |
| Prepayment discount | 4,754 | | |
| Other | 267 | | 3,585 |
| **Total Deductions** | 174,273 | 2,820,555 | 10,196 |
| **Change in Net Assets** | 947,958 | 40,424 | (7,831) |
| **Net Assets Held In Trust at Beginning of Year** | 2,365,537 | 1,057,788 | 10,559 |
| **Net Assets Held In Trust at End of Year** | $ 3,313,495 | 1,098,212 | 2,728 |

*Pension Trust Fund reported for Year Ended December 31, 2003.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Contra Costa conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The following is a summary of the more significant policies:

### A. Definition of Reporting Entity

The county is a political subdivision created by the state of California. As such, it can exercise powers specified by the constitution and statutes of the state. The county is governed by a five member elected Board of Supervisors (the Board). The Board is responsible for the legislative and executive control of the county. The county provides various services on a countywide basis including law and justice, education, detention, social, health, hospital, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

The governmental reporting entity consists of the county (primary government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and relationship with the county are such that exclusion would cause the county's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (i) the county's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the county.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities are, in substance, part of the county's operations and so data from these units are combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the county's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the county's Board.

Blended Component Units

*Housing Authority of the County of Contra Costa*

The Housing Authority of the County of Contra Costa (Housing Authority) was established to provide housing for the county's low and moderate income residents. Its board members are the same as the county Board of Supervisors. The financial activities of the Housing Authority are reported as an Enterprise Fund. The fiscal year of the Housing Authority ends on March 31st and its financial activities are reported as of that date.

*Contra Costa County Redevelopment Agency*

The Contra Costa County Redevelopment Agency (RDA) was established for the purpose of redeveloping certain areas of the county designated as project areas. Its board members are the same as the county Board of Supervisors. The capital projects financial activities of the RDA are reported as a major governmental fund. The special revenue and debt service financial activities of the RDA are reported as nonmajor governmental funds.

*Contra Costa County Public Facilities Corporation*

The Contra Costa County Public Facilities Corporation (PFC) was established to provide financing for the acquisition, construction, improvement and remodeling of public buildings and facilities for the county. The county appoints a voting majority of the governing board and is able to impose its will on the PFC. The County Hospital Enterprise Fund includes activities of the PFC.

*County of Contra Costa Public Financing Authority*

The County of Contra Costa Public Financing Authority (PFA) is a joint powers authority consisting of the county and the RDA. The PFA was established to provide for the financing of public improvements, obligations, working capital and liability or other insurance programs of the county and the RDA. The members of the county Board of Supervisors also serve as the Directors of the PFA. The activities of the PFA are included in a debt service fund which is reported as part of the nonmajor governmental funds and in the County Hospital Enterprise Fund.

*Contra Costa County Employees' Retirement Association*

The Contra Costa County Employees' Retirement Association (CCCERA) was established to provide retirement benefits to employees of the county and other member agencies. The CCCERA provides a majority of its services for the benefit of the county and, therefore, is reported as a pension trust fund in the basic financial statements. The fiscal year of the CCCERA ends on December 31st and its financial activities are reported as of that date.

*In-Home Supportive Services Public Authority*

The Contra Costa County Board of Supervisors, pursuant to Welfare and Institutions Code Section 12301.6, established the In-Home Supportive Services Public Authority (IHSS). IHSS provides screening, training and referral of in-home supportive service providers and assists recipients in finding qualified persons to assist eligible individuals who are unable to care for themselves at home. Its board members are the same as the county Board of Supervisors. The activities of the IHSS are included in a special revenue fund which is reported as part of the nonmajor governmental funds.

*Special Districts and Service Areas*

The county has 39 agencies referred to as county special districts and service areas. Each is established by the county for the purpose of providing specific services in a defined geographic area. Their board members are the same as the county Board of Supervisors. The 39 agencies and the

special revenue fund in which each is included are: Fire Protection – Contra Costa County Fire Protection District, Crockett-Carquinez Fire Protection District; East Contra Costa County Fire Protection District, Flood Control - Flood Control District, Storm Drainage District, Storm Drain Maintenance District No. 4 and Storm Drain District No. Z-16; Health and Sanitation - Sanitation Districts Nos. 5 and 6; Service Areas - Service Areas D-2, EMS-1, L-100, LIB-2, LIB-10, LIB-12, LIB-13, M-1, M-8, M-16, M-17, M-20, M-23, M-25, M-26, M-27, M-28, M-29, M30, R-4, R-7, R-9, R-10, RD-4 and Discovery Bay West Parking District; Law Enforcement - Service Areas P-1, P-2, P-5 and P-6; Other Special Revenue - Contra Costa County Water Agency. These special revenue funds are reported as nonmajor governmental funds.

Discretely Presented Component Unit

*FIRST 5 Contra Costa Children and Families Commission*

The FIRST 5 Contra Costa Children and Families Commission (formerly the Contra Costa Children and Families First Commission) was established to implement the provisions of Proposition 10, adopted by the voters in 1998. Proposition 10 added Division 108 (commencing with California Government Code Section 130100) to the California Health and Safety Code. It provides for a state tax on the sale of tobacco products and also provides that this revenue be spent for early childhood development programs by the Commission. The county Board of Supervisors appoints all nine members (and nine alternate members) of the Commission. Two members of the Board of Supervisors serve on the Commission. However, the Commission hires its own employees including an Executive Director and functions independent of the county. The Commission provides most of its services directly to the citizens of the county. The financial activity of the Commission is reported in separate columns on the government-wide financial statements.

Complete audited financial statements are issued separately for each of the individual component units listed below and may be obtained at the unit's administrative offices as follows:

Housing Authority of the County of Contra Costa
3133 Estudillo Street, Martinez, CA 94553

Contra Costa County Public Facilities Corporation
1220 Morello Ave., Suite 100, Martinez, CA 94553

County of Contra Costa Public Financing Authority
651 Pine Street, 6th Floor, Martinez, CA 94553

Contra Costa County Redevelopment Agency
651 Pine Street, 5th Floor North Wing, Martinez, CA 94553

Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221, Concord, CA 94520

FIRST 5 Contra Costa Children and Families Commission
1340 Arnold Drive, Suite 125, Martinez, CA 94553

## B. Basis of Presentation

*Government-wide Financial Statements*

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,* mandates the presentation of two basic government-wide financial statements, the *Statement of Net Assets* and the *Statement of Activities.* The statement of net assets and statement of activities display information about the primary government (the county) and its component units. The statement of net assets and statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The statement of net assets and statement of activities also distinguish between the *governmental* and *business-type activities* of the county and between the county and its discretely presented component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees charged to external parties.

The statement of net assets reports the county's financial and capital resources, including infrastructure, as well as the county's long-term obligations. The difference between the county's assets and liabilities is its net assets. Net assets represent the resources that the county has available for use in providing services after its debts are settled.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the governmental activities and each segment of the business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs, including fines and forfeitures, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, management has discretion as to which resources to apply. Generally, restricted resources are depleted before unrestricted. However, when prudent, unrestricted resources may be used first.

*Fund Financial Statements*

The fund financial statements provide information about the county's funds, including fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The county reports the following as major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the county that are not accounted for through other funds. In

addition to general administration, the General Fund includes such activities as public protection, health and sanitation, public assistance, education, and public ways and facilities.

- The *Land Development Special Revenue Fund* reports the growth management related activities of the Building Inspection Department, Public Works Department, and the Community Development Department.

- The *Redevelopment Agency (Capital Projects) Fund* accounts for the acquisition of real property and construction of improvements thereon in the county's unincorporated areas for the purpose of removing or preventing blight.

The county reports the following as major enterprise funds:

- The *County Hospital (the Hospital)* accounts for hospital operations involved in providing health services to county residents. Revenues are principally fees for patient services, payments from federal and state programs such as Medicare, Medi-Cal and Short-Doyle, realignment revenues, and subsidies from the General Fund.

- The *Health Maintenance Organization* accounts for the operations of the county's prepaid health plan. Revenues are primarily capitation payments by Medicare and Medi-Cal, premiums by private citizens and realignment revenues.

- The *Housing Authority* accounts for the financial resources designated for housing and housing assistance to low income residents of Contra Costa County.

The county reports the following additional fund types:

- *Internal Service Funds* account for the county's self-insurance programs – employee dental insurance, long-term disability, workers' compensation, automotive liability insurance, general liability insurance, state unemployment insurance, medical liability insurance, and special district property insurance, on a cost-reimbursement basis.

- The *Pension Trust Fund* accumulates contributions from the county, its employees and other participating employers, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula), and administrative expenses. This fund includes all assets of the CCCERA.

- The *Investment Trust Fund* accounts for the assets of legally separate entities who make directed investments through the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities. This fund represents the assets, primarily cash and investments, and the related obligation of the county to disburse these monies on demand.

- The *Private-Purpose Trust Fund* accounts for assets held in trust for the benefit of individuals, private organizations, and other governments such as city of Oakley related to its redevelopment project area.

- *Agency Funds* account for assets pending transfer or distribution to individuals, private organizations or other governmental entities held by the county in an agency capacity. Included in these funds are the Unapportioned Taxes Fund and the Tax Losses Reserve Fund, which provide controls necessary for the county to manage property taxes under the Teeter Plan (see section L of this note).

## C. Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the county is giving (or receiving) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

For its business-type activities and enterprise funds, the county has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes accounting principles generally accepted in the United States of America for governmental units. The county has elected not to follow subsequent private-sector guidance of the Financial Accounting Standards Board after November 30, 1989.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes are accrued when their receipt occurs within sixty days after the end of the accounting period, all other revenues, the majority of which are from the state and federal government are accrued when their receipt occurs within one year after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are generally recorded when payment is due. However, where resources have been provided during the current year for payment

of interest due early in the following year, the expenditure and related liability are accrued. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

**D. Cash and Cash Equivalents**

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, their equity in the County Treasurer's internal pool, and cash restricted for repayment of debt or as reserves to be cash equivalents.

**E. Investments**

Investment transactions are recorded on the trade date. Investments in non-participating interest-earning investment contracts (certificates of deposit and guaranteed investment contracts) are stated at cost, and all other investments are stated at fair value. Fair value is defined as the amount that the county could reasonably expect to receive for an investment in a current sale between a willing buyer and seller and is generally measured by quoted market prices.

Under GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, the Pension Trust Fund reports its investments at fair value and includes both realized and unrealized gains and losses on investments in its statement of changes in net assets. The fair values of equity and fixed income securities are derived from quoted market prices. The fair values of private market investments are estimated from fair values provided by real estate investment funds, generally using periodic independent appraisals, and alternative investment managers. All investment purchases and sales are recorded on the trade date.

The public school districts, cemetery districts, pest control districts, recreation and park districts and resource conservation districts within the county are required by legal provisions to maintain their cash and investments with the County Treasurer. The County Treasurer individually maintains directed investment accounts for those districts, and the cash and investments held are included in the Investment Trust Fund.

**F. Inventories**

Inventories are valued at cost, which approximates market. Governmental fund inventories are maintained using the weighted average method. Proprietary fund inventories are maintained using the first-in, first-out method. The costs of governmental fund inventories and proprietary fund inventories are recorded as expenditures/expenses at the time individual items are consumed rather than when purchased. Reported inventories of governmental funds are equally offset by a fund balance reservation to indicate that a portion of the fund balance is not available for future appropriation.

## G. Notes Receivable

Generally loans are either deferred or collected on a residual receipts basis with all remaining principal and interest due on the earlier of the due date of the note or sale or transfer of property. Any repayment of principal or interest is treated as program income, the use of which is restricted by federal regulations. As such, notes receivable are recorded with an offset to deferred revenue in the fund financial statements because the amounts are unavailable. The notes receivable balances in the General Fund consist of loans made with funds provided to the county under the U.S. Department of Housing and Urban Development programs. The loans are made to carry out activities for affordable housing and economic development.

## H. Prepaid Pension Asset

A prepaid pension asset is created when an employer pays into a retirement plan amounts in excess of its annual required contribution (ARC). The ARC is an actuarially calculated amount that is sufficient to fund future costs and extinguish any existing unfunded actuarial accrued liability (UAAL). On March 1, 1994, the county made a payment of $333,724,000 to CCCERA from the proceeds of the issuance of pension obligation bonds to reduce the county's UAAL as calculated at that time. On May 1, 2003, the county made another payment of $319,095,000 to CCCERA from the proceeds of an additional issuance of pension obligation bonds to reduce the county's UAAL as recalculated, due primarily to the effect of the enhanced pension granted in 2002.

Each component of the prepaid pension asset will be amortized over a fifteen year period. (See Note 15.)

## I. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) consisting of certain improvements including roads, bridges, water/sewer, lighting systems, drainage systems, and flood control. The capitalization threshold for infrastructure is $25,000. The capitalization threshold for permanent structures was increased from $5,000 to $100,000 effective July 1, 2003. The capitalization threshold for equipment and vehicles is $5,000. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the activities within the government-wide financial statements, proprietary funds and the pension trust fund.

The estimated useful lives are as follows:

| | |
|---|---|
| Infrastructure | 25-50 years |
| Buildings | 25-40 years |
| Improvements | 10-20 years |
| Equipment and vehicles | 3-20 years |

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities or extend useful lives, are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Interest is capitalized on construction in progress in the proprietary funds in accordance with Statement of Financial Accounting Standards No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax Exempt Borrowings and Certain Gifts and Grants*. Accordingly, interest capitalized is the total interest cost from the date of the borrowing net of any allowable interest carried on temporary investments of the proceeds of those borrowings until the specified asset is ready for its intended use.

**J. Bond and Certificate of Participation Discounts, Issuance Costs and Deferred Amounts on Refundings**

In governmental fund financial statements, bond and certificate of participation discounts, issuance costs, and deferred amounts on refundings are recognized in the period incurred. In the government-wide and proprietary fund financial statements, these charges are deferred and amortized over the term of the issuance using the straight-line method, which approximates the effective interest method.

**K. Property Tax Levy, Collection and Maximum Rates**

The county is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property situated in the county. The levy is based on the assessed values as of the preceding January 1st, which is also the lien date. State code requires tax rates to be set no later than the first workday in September unless the Board of Supervisors elects to extend the deadline to October 3rd. Property taxes on the secured roll are due in two installments: November 1st and February 1st and become delinquent after December 10th and April 10th, respectively. Supplemental property taxes are levied based on changes in assessed values between the date of real property sales or construction completion and the preceding assessment date. The additional supplemental property taxes are prorated from the first day of the month following the date of such occurrence. Property taxes on the unsecured roll are due on the lien date (January 1st), and become delinquent if unpaid by August 31st.

Supplementary taxes that have been collected but unapportioned at year-end and unsecured taxes collected in advance are reported as unapportioned taxes in the Unapportioned Taxes Agency Fund.

Secured property taxes are recorded as revenue in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by the California Revenue and Taxation Code Section 4701 et al (The Teeter Plan). This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll, approximately October 1st of each year.

Under the alternate apportionment method, specified amounts of penalties and interest collected on delinquent secured taxes are held in the Tax Losses Reserve Agency Fund (TLRF). This reserve is used to offset the impact of accumulated delinquency remaining at year-end. The county's management believes that any ownership rights to the TLRF the county may have are effective only upon transfer or to the extent of losses related to the sale of tax defaulted property. The county has the authority to transfer any amounts in the fund that exceed a legally defined threshold, which was $6,831,000 at June 30, 2004. The year-end balance in the TLRF was $20,168,000. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the county's Teeter Plan.

## L. Interfund Transactions

Interfund transactions are reflected as either loan, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation, and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

## M. Compensated Absences and Sick Leave

Under terms of union contracts and various Board resolutions, county employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation hours. Employees are not reimbursed for accumulated sick leave except management employees who are eligible for a payoff of unused sick leave accruals at resignation. Management employees must have a balance of at least 70.0 percent of their sick leave accruals and have been employed three years or more to be eligible for this benefit. The maximum amount payable under this Sick Leave Incentive Plan is 50.0 percent of accrued sick leave, however, the amount of sick leave payable is considered de minimis. Accordingly, no accrual for sick leave has been made in the accompanying basic financial statements.

Compensated absences at June 30, 2004, are valued at $45,148,000, which includes $30,955,000 attributable to the General Fund, $5,155,000 attributable to the Special Revenue Funds, $8,627,000 recorded in Enterprise Funds and $411,000 recorded in the Pension Trust Fund. Amounts attributable to the General and Special Revenue Funds are expected to be claimed in future periods and paid with future resources from those funds. Accordingly, this liability is reflected in the government-wide statement of net assets. In the proprietary funds and the Pension Trust Fund, compensated absences are recorded as an expense and liability as the benefits accrue to employees. In compliance with GASB Statement No. 16, *Accounting for Compensated Absences*, the amounts reported include estimated employer liability for taxes and workers' compensation premiums.

### N. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## 2. FUND EQUITY

### A. Restatement of Fund Equity/Net Assets

#### General Fund Adjustment

Upon the courts moving from the General Fund, an accounts receivable from the courts was set up for debt service payments for equipment sold to the courts in the amount of $594,000. However, the courts made its payments directly to debt service.

Reimbursement agreements between the county and drainage districts in the amount of $138,000 had expired before being repaid and the amounts were written-off.

#### Nonmajor Governmental Adjustment

Reimbursement agreements between the county and drainage districts in the amount of $138,000 had expired before being repaid and the amounts were written-off.

Previously the county had included the Small Business Micro Revolving Loan Fund as an Agency Fund. The county has determined that this fund does not meet the definition of an Agency Fund under GASB Statement No. 34 and it has moved it to the nonmajor governmental funds.

The Land Development Special Revenue and Redevelopment Agency Capital Projects Funds have been categorized as major funds this year. Accordingly, their balances are no longer included in the nonmajor governmental balances.

**Housing Authority Enterprise Fund Adjustment**

This adjustment is to reflect the Housing Authority's decision to report a blended and discretely presented component units not previously reported.

**Summary**

The impact of the restatements on the fund balances/net assets at July 1, 2003 is presented below (in thousands):

| | General Fund | Nonmajor Governmental | Housing Authority Enterprise Fund |
|---|---|---|---|
| Fund balances/net assets, as previously reported | $ 138,569 | $ 257,369 | $ 22,868 |
| Blended component unit net assets | | | 2,433 |
| Discretely presented componet unit net assets | | | 28,507 |
| Debt service payment paid by courts | (594) | | |
| Expired reimbursement agreements | (138) | 138 | |
| Fund reclassification | | 43 | |
| Fund balances/net assets, as restated | $ 137,837 | $ 257,550 | $ 53,808 |

**B. Reserve for Prepaid Items and Deposits**

Reserves are less than total prepaid items and deposits because the General Fund advanced $190,000 to subgrantees, which will use the funds for federal programs during fiscal year 2003-2004. As funds are spent, the federal government reimburses the county.

## 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Net Assets

The Pension Bond Debt Service Fund, which is reported as part of the nonmajor governmental funds, had a fund balance deficit of $4,884,000 at June 30, 2004. The deficit is the result of rates being changed by departments based on certain salary assumptions, which did not occur, causing the under funding. Rates will be increased to appropriately recover the shortfall.

Three Internal Service Funds had net assets deficits at June 30, 2004. The Medical Liability Insurance Fund had a deficit of $981,000. The county provided $4,000,000 in fiscal year 2004-2005 to reduce the deficit and plans to further evaluate funding options. The Workers' Compensation Insurance County General and Fire Protection Internal Service Funds had deficits of $56,127,000 and $8,025,000, respectively. The deficits in the Workers' Compensation Insurance Funds are symptomatic of other self-insured government agencies in the state of California. The increasing claims cost is a direct result of

legislation awarding higher benefits on a multiyear basis. Favorable legislation has been passed to help control medical costs; however, the projected savings are unknown at this time. The county has taken action to increase premium charges to the departments to reflect current and future costs. Our aggressive loss control program has resulted in a reduction of frequency over the past fiscal year. Further negotiations are anticipated with represented labor groups to reduce benefits paid over and above the statutory requirments.

The Sheriff Law Enforcement Training Center Enterprise Fund (Training Center), which is reported as a nonmajor enterprise fund, had a year-end deficit of $361,000, a deficit reduction of $858,000 from the prior year. The Sheriff's Office has taken necessary steps to address the cause.

## 4. CASH AND INVESTMENTS

The cash balances of substantially all funds, except the Pension and Investment Trust Funds, are maintained in the county's internal pool and invested by the County Treasurer. Income from pooled investments is allocated to the funds based on average daily balances. As permitted by the California Government Code, legally separate entities that are not part of the county reporting entity also have individual investment accounts in the County Treasury. These investment accounts are separate from the pool and are reported in the Investment Trust Fund. Specific investments are acquired for those separate entities at their direction and the income from and changes in the value of these investments affect only the entity for which they were acquired. The Retirement Board directs the investment activity of the Pension Trust Fund.

Cash and investments at June 30, 2004 (December 31, 2003, for the Pension Trust Fund and March 31, 2004, for the Housing Authority), are reported as follows (in thousands):

| | | Deposits | Investments | Total |
|---|---|---|---|---|
| **From the Statement of Net Assets** | | | | |
| Primary Government | Cash and investments | $ 61,682 | 524,809 | 586,491 |
| FIRST 5 Contra Costa Children and Families Commission | Cash and investments | 5,504 | 40,913 | 46,417 |
| **From the Statement of Fiduciary Net Assets** | | | | |
| Pension Trust Fund | Cash and investments | 5,006 | 3,486,556 | 3,491,562 |
| | Cash collateral - securities lending | | 207,256 | 207,256 |
| Investment Trust Fund | Cash and investments | 10,796 | 1,155,208 | 1,166,004 |
| Private-Purpose Trust Fund | Cash and investments | 592 | 2,052 | 2,644 |
| Agency Funds | Cash and investments | | 147,545 | 147,545 |
| Total | | $ 83,580 | 5,564,339 | 5,647,919 |

## A. Deposits

Deposits include bank deposits at a carrying amount of $81,674,000. The balance reported by various financial institutions was $84,715,000. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, $1,394,000 was covered by federal depository insurance and $83,321,000 was collateralized by the pledging financial institutions as required by California Government Code Section 53652.

According to the California Government Code Section 53601, bank obligations such as certificates of deposit are considered investments. However, in accordance with generally accepted accounting principles in the United States of America, the county has classified certificates of deposit in the amount of $1,905,000 as deposits. Of the certificates of deposit balance, $343,000 was insured and $1,562,000 was collateralized by the pledging financial institutions as required by California Government Code Section 53652.

Under the California Government Code, a financial institution is required to secure deposits in excess of $100,000 made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110.0 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150.0 percent of the secured public deposits. The collateral must be held at the pledging bank's trust department or other bank, acting as the pledging bank's agent, in the public agency's name.

## B. Investments

Statutes authorize the county to invest in obligations of the United States Treasury, federal agencies, municipalities, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, reverse repurchase agreements, medium-term notes, negotiable certificates of deposit, mutual funds and investments in accordance with the statutory provisions governing the issuance of bonds.

Pension Trust Fund investments are authorized by the County Employees' Retirement Law of 1937. Statutes authorize a "prudent investor" guideline as to the form and types of investments, which may be purchased.

The county's investments (including the Investment Trust Fund) and those of the Pension Trust Fund are categorized separately on the following page to indicate the level of custodial credit risk assumed by each investment portfolio for their respective year-ends. Category 1 includes investments that are insured or registered, or securities held by the county or its agent in the county's name. Category 2 includes uninsured and unregistered investments with the securities held by the counterparty's trust department or agent in the county's name, or in the agent's nominee name with subsidiary records listing the county as the legal owner. Category 3 includes uninsured and unregistered investments, with the securities held by the counterparty, or by its trust department or agent, but not in the county's

name. Investments not evidenced by securities that exist in physical or book form cannot be categorized.

The Local Investment Advisory Board (Board) has oversight responsibility for the state Treasurer's Local Agency Investment Fund (LAIF). The Board consists of five members as designated by state statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different from the fair value of the county's position in the pool.

Investments at fair value as of June 30, 2004 (December 31, 2003, for the Pension Trust Fund and March 31, 2004, for the Housing Authority Enterprise Fund), are shown as follows (in thousands):

| | Category | | |
|---|---|---|---|
| | 1 | 2 | Total |
| **County (Including Investment Trust Fund)** | | | |
| **Categorized Investments:** | | | |
| Negotiable certificates of deposit | $ 60,000 | 20,245 | 80,245 |
| U.S. government securities | 171,210 | 38,483 | 209,693 |
| Commercial paper | 355,396 | 1,117 | 356,513 |
| Medium-term bonds | 11,035 | 13,054 | 24,089 |
| Local obligation bonds | 129 | | 129 |
| Bankers' acceptances | 13,042 | | 13,042 |
| Repurchase agreements | | 473,700 | 473,700 |
| Total categorized investments | $ 610,812 | 546,599 | 1,157,411 |
| **Uncategorized Investments:** | | | |
| State Treasurer's Local Agency Investment Fund | | | 531,147 |
| Guaranteed investment contracts | | | 24,924 |
| Mutual funds | | | 116,132 |
| Total investments | | | 1,829,614 |
| **Pension Trust Fund:** | | | |
| **Categorized Investments:** | | | |
| Domestic stocks | $ 911,744 | | 911,744 |
| International stocks | 40,624 | | 40,624 |
| Corporate & government bonds | 719,147 | | 719,147 |
| International bonds | 136,384 | | 136,384 |
| Repurchase agreements | | 14,921 | 14,921 |
| Total categorized investments | $ 1,807,899 | 14,921 | 1,822,820 |
| **Uncategorized Investments:** | | | |
| Domestic stocks | | | 36,230 |
| Domestic bonds | | | 166,551 |
| Mutual funds | | | 1,089,800 |
| Real estate | | | 309,831 |
| Private equity funds | | | 46,135 |
| Natural resource funds | | | 15,189 |
| Security lending collateral investment pool | | | 207,256 |
| Total investments | | | 3,693,812 |
| **FIRST 5 Contra Costa Children and Families Commission** | | | |
| U.S. government securities | $ 40,913 | | 40,913 |
| **Total Investments** | | | $ 5,564,339 |

## C. Other Financial Instruments

In accordance with California statutes, the county may invest in a wide variety of investment instruments, including asset-backed securities, such as: collateralized mortgage obligations and principal-only strips and forward contracts.

The Treasurer holds principal-only strip instruments for the benefit of some county school districts. Those school districts utilize the services of an independent financial advisor in determining their investment strategy.

The CCCERA has investments with trustees who hold part of their portfolio in government and corporate obligations consisting of asset-backed securities, floating rate notes, constant maturity index Adjustable Rate Mortgages (ARMs), Collateralized Mortgage Obligations, and LIBOR indexed ARMs.

As of June 30, 2004, the county's proportionate share of structured notes and asset-backed securities held by LAIF was $8,514,000 or 1.603 percent of the county's investment in LAIF. The disclosure statement for the portfolio holdings of the Local Agency Investment Fund (LAIF) can be viewed at URL http://www.treasurer.ca.gov.

The derivative information for the various mutual funds in which the county had investments is not available.

The investments discussed above, which are included in the accompanying financial statements, represent 14.0 percent of total investments. The Treasurer's investment policy was approved by the Board of Supervisors. In accordance with California Government Code Sections 27130-27137, an investment oversight committee reviews the quarterly investment reports prepared by the Treasurer.

## D. Securities Lending by the Employees' Retirement Association (Pension Trust Fund)

The CCCERA's investment policy permits the use of a securities lending program with its principal custodian bank. The CCCERA lends domestic and international bonds and equities to various brokers for collateral that will be returned for the same securities plus a fee in the future. The custodian bank provides loss indemnification to the CCCERA if the borrower fails to return the securities.

The custodian bank manages the securities lending program and receives cash and/or securities as collateral. The collateral cash can be invested and is automatically rolled into a Short Term Investment Fund (STIF). The collateral securities cannot be pledged or sold by the CCCERA without borrower default. Securities on loan must be collateralized at 102.0 percent and 105.0 percent of the fair value of domestic securities and non-domestic securities, respectively, plus accrued interest (in the case of debt securities).

There are no restrictions on the amount of securities, which can be loaned at one time. CCCERA has the right to terminate any loan in whole or in part by providing the custodian bank with written notice

(a "Recall Notice"). Because the loans are terminable at will, the term to maturity of the security loans is generally not matched with the term to maturity of the cash collateral.

There were no losses associated with securities lending transactions during the year. At December 31, 2003, CCCERA has no credit risk exposure to borrowers. The fair value of investments on loan at December 31, 2003, is $202,782,000, which was collateralized by cash and securities in the amount of $207,256,000.

## 5. RECEIVABLES

Receivables at year-end of the county's major individual funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows (in thousands):

| Receivables- Governmental Activities | General Fund | Land Development Special Revenue | Redevelopment Agency Capital Projects | Nonmajor Funds | Internal Service Funds | Total Governmental Activities |
|---|---|---|---|---|---|---|
| Taxes | $ 3,699 | | | 1,888 | | 5,587 |
| Accounts | 116,948 | 377 | 437 | 14,198 | 2,079 | 134,039 |
| Advances | 94 | | | | | 94 |
| **Gross Receivables** | 120,741 | 377 | 437 | 16,086 | 2,079 | 139,720 |
| Less: Allowance for uncollectibles | (4) | | | | | (4) |
| **Total Receivables (net)** | $ 120,737 | 377 | 437 | 16,086 | 2,079 | 139,716 |

| Receivables- Business-type Activities: | County Hospital | Health Maintenance Organization | Housing Authority | Nonmajor Funds | Total Business-type Activities |
|---|---|---|---|---|---|
| Accounts | $ 180,247 | 1,798 | 3,952 | 310 | 186,307 |
| Less: Allowance for uncollectibles | (160,416) | | | | (160,416) |
| **Total Receivables (net)** | $ 19,831 | 1,798 | 3,952 | 310 | 25,891 |

Governmental funds report deferred revenues in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At June 30, 2004, the various components of deferred revenue and unearned revenue reported were as follows (in thousands):

| | Unavailable | Unearned |
|---|---|---|
| **Governmental Activities:** | | |
| **General Fund:** | | |
| Notes receivable (Community Development Block Grant-CDBG- loans) | $ 36,544 | |
| Advances not yet earned | | 13,165 |
| Other receivables and advances | | 10,146 |
| Resources received that do not yet meet the criteria for revenue recognition | | 206 |
| **Land Development Special Revenue:** | | |
| Other receivables and advances | 104 | 23,304 |
| **Redevelopment Agency Capital Projects:** | | |
| Other receivables and advances | | 289 |
| **Nonmajor Funds:** | | |
| Property assessment tax receivable | | |
| Notes receivable | 10,424 | |
| Other receivables and advances | 500 | 3,029 |
| Resources that do not yet meet the criteria for revenue recognition | 13 | 12 |
| **Total Governmental Activities** | $ 47,585 | 50,151 |
| **Business-type Activities:** | | |
| **Hospital:** | | |
| Resources received that do not yet meet the criteria for revenue recognition | $ | 31,227 |
| **Housing Authority:** | | |
| Resources received that do not yet meet the criteria for revenue recognition | | 614 |
| **Total Business-type Activities** | $ | 31,841 |

## 6. INTERFUND TRANSACTIONS

### A. Interfund Receivables/ Payables

The composition of interfund balances as of June 30, 2004, is as follows (in thousands):

**Due To/From Other Funds:**

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| General Fund | Land Development Special Revenue Fund | $ 1,445 |
| | RDA Capital Projects Fund | 806 |
| | Nonmajor Governmental Funds | 25,771 |
| | County Hospital Enterprise Fund | 6,663 |
| | Health Maintenance Organization Enterprise Fund | 477 |
| | Nonmajor Enterprise Funds | 852 |
| | Internal Service Funds | 1,190 |
| | Agency Funds | 28,676 |
| | Investment Trust Fund | 1,267 |
| | Private-Purpose Trust Fund | 1 |
| | | 67,148 |
| Land Development Special Revenue Fund | General Fund | 751 |
| | RDA Capital Projects Fund | 10 |
| | Nonmajor Governmental Funds | 129 |
| | Internal Service Funds | 4 |
| | Agency Funds | 63 |
| | | 957 |
| RDA Capital Projects Fund | General Fund | 309 |
| | Nonmajor Governmental Funds | 4 |
| | Investment Trust Fund | 740 |
| | | 1,053 |
| Nonmajor Governmental Funds | Nonmajor Governmental Funds | 1,724 |
| | General Fund | 3,850 |
| | Land Development Special Revenue Fund | 73 |
| | RDA Capital Projects Fund | 166 |
| | County Hospital Enterprise Fund | 31 |
| | Health Maintenance Organization Enterprise Fund | 2 |
| | Nonmajor Enterprise Funds | 1 |
| | Internal Service Funds | 68 |
| | Agency Funds | 166 |
| | Investment Trust Fund | 225 |
| | | 6,306 |

(Continued)

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| County Hospital Enterprise Fund | General Fund | $ 2,682 |
| | Land Development Special Revenue Fund | 3 |
| | Nonmajor Governmental Funds | 910 |
| | Health Maintenance Organization Enterprise Fund | 5,286 |
| | Internal Service Funds | 126 |
| | Agency Funds | 385 |
| | | 9,392 |
| Health Maintenance Organization Enterprise Fund | General Fund | $ 5 |
| | County Hospital Enterprise Fund | 3,945 |
| | Nonmajor Enterprise Funds | 4 |
| | Internal Service Funds | 4 |
| | Agency Funds | 2,501 |
| | | 6,459 |
| Nonmajor Enterprise Funds | Nonmajor Enterprise Funds | 6 |
| | General Fund | 42 |
| | Agency Funds | 1 |
| | | 49 |
| Internal Service Funds | Internal Service Funds | 9 |
| | General Fund | 69 |
| | Nonmajor Governmental Funds | 62 |
| | Agency Funds | 688 |
| | | 828 |
| Investment Trust Fund | RDA Capital Projects Fund | 98 |
| | Agency Funds | 1,293 |
| | | 1,391 |
| Private-Purpose Trust Fund | General Fund | 2 |
| | | 2 |
| Agency Funds | Agency Funds | 5,181 |
| | General Fund | 2,484 |
| | Land Development Special Revenue Fund | 74 |
| | Nonmajor Governmental Funds | 356 |
| | County Hospital Enterprise Fund | 365 |
| | Health Maintenance Organization Enterprise Fund | 6 |
| | Nonmajor Enterprise Funds | 2 |
| | Internal Service Funds | 19 |
| | Investment Trust Fund | 1 |
| | Private-Purpose Trust Fund | 2 |
| | | 8,490 |

(Continued)

| Receivable Fund | Payable Fund | | Amount |
|---|---|---|---|
| Pension Trust Fund [1] | General Fund | $ | 2,783 |
| | Nonmajor Governmental Funds | | 1,286 |
| | County Hospital Enterprise Fund | | 238 |
| | Health Maintenance Organization Enterprise Fund | | 5 |
| | Agency Funds | | 39 |
| | Investment Trust Fund | | 57 |
| | | | 4,408 |
| **Subtotal** | | | 106,483 |

[1] Adjustment: Reported as of December 31, 2003

| | | | |
|---|---|---|---|
| Pension Trust Fund [2] | General Fund | | 1,542 |
| General Fund | Pension Trust Fund | | 26 |
| Agency Funds | Pension Trust Fund | | 20 |
| | | | 1,588 |
| **Total** | | $ | 108,071 |

[2] Acitivity relating to Pension Trust Fund as of June 30, 2004

The due to/from other funds account balances primarily resulted from interfund cash transactions recorded after the cash cut-off on June 30, 2004.

(Concluded)

**Advances To/From Other Funds**

| Receivable Fund | Payable Fund | | Amount |
|---|---|---|---|
| Nonmajor Governmental Funds | Redevelopment Agency Capital Projects | $ | 1,372 |
| Nonmajor Governmental Funds | Nonmajor Governmental Funds | | 4,730 |
| **Total** | | $ | 6,102 |

The advances to/from other funds account balances primarily resulted from interfund loans.

**B. Transfers**

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various county operations and re-allocations of special revenues. The following schedule briefly summarizes the county's transfer activity (in thousands):

**Between Governmental and Business-type Activities:**

| Transfer From | Transfer To | Amount | Purpose |
|---|---|---|---|
| General Fund | County Hospital Enterprise | $ 34,058 | Provide subsidy to cover portion of the County Hospital's operation. |
| | County Hospital Enterprise | 151 | Transfer vehicle depreciation from the General Fund. |
| | Health Maintenance Organization Enterprise | 8,253 | Provide subsidy to cover portion of the HMO's operation. |
| | Health Maintenance Organization Enterprise | 28 | Transfer vehicle depreciation from the General Fund. |
| | Internal Service Funds | 6,596 | Transfer funds from the General Fund to the Medical Liability Internal Service Fund. |
| | Nonmajor Enterprise Funds | 8 | Transfer vehicle depreciation from the General Fund. |
| | Nonmajor Enterprise Funds | 1,219 | Transfer of funds to the Sheriff Law Enforcement Training Center as authorized by Board of Supervisors. |
| Nonmajor Governmental Funds | County Hospital Enterprise | 1,102 | Transfer funds for reimbursement of Los Medanos project. |
| County Hospital Enterprise | General Fund | 25,873 | Transfer funds to reimburse the General Fund for intergovernmental transfer (IGT) payments. |
| | Nonmajor Governmental Funds | 5,441 | Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond Fund. |
| | Nonmajor Governmental Funds | 242 | Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement. |
| | Nonmajor Governmental Funds | 944 | Transfer of funds to cover the County Hospital's pro rata share of certain project lease payments. |
| Health Maintenance Organization Enterprise | Nonmajor Governmental Funds | 200 | Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond Fund. |

(continued)

| Transfer From | Transfer To | Amount | Purpose |
|---|---|---|---|
| Health Maintenance Organization Enterprise | Nonmajor Governmental Funds | 9 | Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement. |
| | Nonmajor Governmental Funds | 106 | Transfer of funds to cover the Health Maintenance Organization's pro rata share of certain project lease payments. |
| Nonmajor Enterprise Funds | Nonmajor Governmental Funds | 101 | Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond Fund. |
| | Nonmajor Governmental Funds | 3 | Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement. |
| **Total** | | $ 84,334 | |

(concluded)

**Between Funds within the Governmental or Business-type Activities[1]:**

| Transfer From | Transfer To | Amount | Purpose |
|---|---|---|---|
| General Fund | Land Development Special Revenue Fund | 12 | Transfer vehicle deprecaition from the General Fund. |
| | RDA Capital Projects Fund | 231 | Transfer of Unocal RTS (Return to Source) funds to Board of Supervisors approved projects. |
| | Nonmajor Governmental Funds | 493 | Transfer of Unocal RTS (Return to Source) funds to Board of Supervisors approved projects. |
| | Nonmajor Governmental Funds | 60 | Provide an annual subsidy to cover operating expenses of the Automated Warrant ID Program. |
| | Nonmajor Governmental Funds | 25 | Provide an annual subsidy to cover operating expenses of the Pleasant Hill Bart Transportation Demand Management (TDM) Program. |
| | Nonmajor Governmental Funds | 23,555 | Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond Fund. |
| | Nonmajor Governmental Funds | 909 | Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement. |
| | Nonmajor Governmental Funds | 12,228 | Transfer of funds to cover the General Fund's pro rata share of project costs. |
| | Nonmajor Governmental Funds | 152 | Transfer vehicle depreciation from the General Fund. |
| Land Development Special Revenue Fund | General Fund | 52 | Reimburse for remodel cost overage. |
| | Nonmajor Governmental Funds | 5 | Transfer funds to cover debt service payments. |
| | Nonmajor Governmental Funds | 291 | Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond Fund. |
| | Nonmajor Governmental Funds | 14 | Transfer a portion of the Salaries and Benefits Expense to the Retirement Litigation Settlement Fund. |

(continued)

[1] These transfers were eliminated in the consolidation, by column, for the Governmental and Business-type activities.

| Transfer From | Transfer To | Amount | Purpose |
|---|---|---|---|
| RDA Capital Projects Fund | Nonmajor Governmental Funds | 1,013 | Contribution to the reserve accounts of the 2003 Series A and Series B Tax Allocation Bonds. |
| | Nonmajor Governmental Funds | 32 | Return of funds to source. |
| Nonmajor Governmental Funds | General Fund | 119 | Transfer funds for mental health services performed. |
| | General Fund | 582 | Reimburse for remodel cost. |
| | General Fund | 1,338 | Transfer funds to reimburse Sheriff's Cal ID expenditures. |
| | General Fund | 2,324 | Transfer funds to pay capital outlay. |
| | RDA Capital Projects Fund | 80 | Reimbursement of project costs related to housing for families of low and moderate income. |
| | Nonmajor Governmental Funds | 305 | Contribution to the reserve accounts of the 2003 Series A and Series B Tax Allocation Bonds. |
| | Nonmajor Governmental Funds | 330 | Reimbursement of debt service by the housing special revenue funds related to the bond proceeds used for projects that benefit housing for the families of low and moderate income. |
| | Nonmajor Governmental Funds | 102 | Transfer National Pollutant Discharge Elimination funds to the Road Fund. |
| | Nonmajor Governmental Funds | 106 | Transfer funds from the permanent fund to the Library. |
| | Nonmajor Governmental Funds | 770 | Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond Fund. |
| | Nonmajor Governmental Funds | 35 | Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement. |
| | Nonmajor Governmental Funds | 2,002 | Transfer funds to cover debt service payments. |
| | Nonmajor Governmental Funds | 803 | Transfer Assessment District funds in preparation for debt service payment. |
| **Total** | | $ 47,968 | |

(concluded)

The county pays a subsidy to the County Hospital and Health Maintenance Organization Enterprise Funds to provide resources for operating costs which are in excess of operating revenues. Subsidies for the past three years are as follows (in thousands):

| Year End June 30 | Total Subsidy |
|---|---|
| 2002 | $ 36,212 |
| 2003 | 46,759 |
| 2004 | 42,311 |

Certain health and welfare realignment revenues, previously recorded in the General Fund and transferred via subsidy to the Hospital and the Health Maintenance Organization Enterprise Funds, are now recorded directly to those funds as intergovernmental revenue. In fiscal year 2003-2004, these intergovernmental revenues were $16,285,000 for the County Hospital and $5,422,000 for the Health Maintenance Organization.

## 7. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2004 (March 31, 2004, for the Housing Authority), was as follows (in thousands):

| | Balance July 1, 2003 | Additions | Retirements | Transfers & Adjustments | Balance June 30, 2004 |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| *Capital assets, not being depreciated:* | | | | | |
| Land | $ 62,016 | 272 | (236) | | 62,052 |
| Construction in progress | 83,366 | 26,229 | (179) | (32,818) | 76,598 |
| Total capital assets, not being depreciated | 145,382 | 26,501 | (415) | (32,818) | 138,650 |
| *Capital assets, being depreciated:* | | | | | |
| Infrastructure | 319,802 | 7,811 | | 6,019 | 333,632 |
| Structures and improvements | 456,322 | 17,269 | (211) | 26,799 | 500,179 |
| Equipment | 112,209 | 10,632 | (10,902) | | 111,939 |
| Total capital assets, being depreciated | 888,333 | 35,712 | (11,113) | 32,818 | 945,750 |
| Less accumulated depreciation for: | | | | | |
| Infrastructure | (71,403) | (6,686) | | | (78,089) |
| Structures and improvements | (224,290) | (20,102) | 166 | | (244,226) |
| Equipment | (66,343) | (11,313) | 7,541 | | (70,115) |
| Total accumulated depreciation | (362,036) | (38,101) | 7,707 | | (392,430) |
| Total capital assets, being depreciated, net | 526,297 | (2,389) | (3,406) | 32,818 | 553,320 |
| Governmental activities capital assets, net | $ 671,679 | 24,112 | (3,821) | | 691,970 |

| | Balance July 1, 2003 (as restated) | Additions | Retirements | Transfers & Adjustments | Balance June 30, 2004 |
|---|---|---|---|---|---|
| **Business-type Activities:** | | | | | |
| *Capital assets, not being depreciated:* | | | | | |
| Land | $ 12,250 | | (5) | | 12,245 |
| Construction in progress | 48,433 | 2,495 | | (25,216) | 25,712 |
| Total capital assets, not being depreciated | 60,683 | 2,495 | (5) | (25,216) | 37,957 |
| *Capital assets, being depreciated:* | | | | | |
| Structures and improvements | 240,819 | 3,272 | (4,284) | 25,216 | 265,023 |
| Equipment | 30,864 | 2,670 | (1,278) | | 32,256 |
| Total capital assets, being depreciated | 271,683 | 5,942 | (5,562) | 25,216 | 297,279 |
| Less accumulated depreciation for: | | | | | |
| Structures and improvements | (108,348) | (8,811) | 4,285 | | (112,874) |
| Equipment | (18,205) | (3,318) | 1,192 | | (20,331) |
| Total accumulated depreciation* | (126,553) | (12,129) | 5,477 | | (133,205) |
| Total capital assets, being depreciated, net | 145,130 | (6,187) | (85) | 25,216 | 164,074 |
| Business-type activities capital assets, net | $ 205,813 | (3,692) | (90) | | 202,031 |

* $80,000 of the total addition to accumulated depreciation was due to a transfer from governmental funds.

At July 1, 2003, the county, particularly Housing Authority, made the following restatements to business-type capital assets and depreciation (in thousands):

| | | |
|---|---|---|
| *Business-type activities capital assets* as reported in the prior year: | $ | 192,375 |
| Record cost adjustments for: | | |
| Land | | 1,789 |
| Construction in progress | | 6,767 |
| Structures and improvements | | 6,248 |
| Equipment | | 112 |
| Record adjustments to accumulated depreciation for structures and improvements | | (1,266) |
| Record adjustments to accumulated depreciation for equipment | | (212) |
| Business-type activities capital assets, as restated - July 1, 2003 | $ | 205,813 |

The Pension Trust Fund had net capital assets of $360,000. This consisted of leasehold improvements and office equipment.

## Depreciation

Depreciation expense was charged to governmental functions as follows (in thousands):

| | | |
|---|---|---|
| General government | $ | 21,791 |
| Public protection | | 9,571 |
| Health and sanitation | | 266 |
| Public assistance | | 1,108 |
| Education | | 381 |
| Public ways and facilities | | 4,739 |
| Recreation and culture | | 245 |
| Total depreciation expense - governmental functions | $ | 38,101 |

Depreciation expense was charged to the business-type functions as follows (in thousands):

| | | |
|---|---|---|
| County Hospital | $ | 7,059 |
| Health Maintenance Organization | | 12 |
| Housing Authority | | 3,014 |
| Nonmajor enterprise funds | | 1,964 |
| Total depreciation expense - business-type functions | $ | 12,049 |

## 8. SHORT-TERM NOTES PAYABLE

As of July 1, 2003, the county had tax and revenue anticipation notes outstanding in the amount of $55,000,000. This amount was repaid on November 19, 2003.

## 9. PAYABLES

Accounts payable and accrued liabilities at year-end were as follows (in thousands):

| Governmental Activities: | General Fund | Land Development Special Revenue | Redevelopment Agency Capital Projects | Nonmajor Funds | Total Governmental Activities |
|---|---|---|---|---|---|
| Accounts payable | $ 15,592 | 560 | 797 | 10,180 | 27,129 |
| Accrued payroll | 43,131 | 638 | 1 | 7,394 | 51,164 |
| Total Accounts payable and accrued liabilities | $ 58,723 | 1,198 | 798 | 17,574 | 78,293 |

| Business-type Activities: | County Hospital | Health Maintenance Organization | Housing Authority | Nonmajor Funds | Total Business-type Activities |
|---|---|---|---|---|---|
| Accounts payable | $ 10,866 | 24,897 | 1,819 | 217 | 37,799 |
| Accrued payroll | 14,231 | 580 | 37 | 235 | 15,083 |
| Total Accounts payable and accrued liabilities | $ 25,097 | 25,477 | 1,856 | 452 | 52,882 |

## 10. LEASES

### A. Operating Leases

Total rental expense for the year ended June 30, 2004 (March 31, 2004, for the Housing Authority), for all operating leases and month-to-month lease arrangements amounted to $12,276,000 for the General Fund, $1,566,000 for the nonmajor governmental funds, $8,000 for Land Development Special Revenue Fund, $21,000 for the RDA Capital Projects Fund, $3,242,000 for the County Hospital Enterprise Fund, $94,000 for the Health Maintenance Organization Enterprise Fund, $175,000 for the Housing Authority Enterprise Fund, and $113,000 for nonmajor enterprise funds.

At June 30, 2004 (March 31, 2004, for the Housing Authority), the future minimum rental payments required under non-cancelable operating leases for buildings and equipment, other than month-to-month lease arrangements, are as follows (in thousands):

| | Governmental Activities | | Business-type Activities | | | |
|---|---|---|---|---|---|---|
| Fiscal Year Ending June 30 | General Fund | Nonmajor Funds | County Hospital | Housing Authority | Nonmajor Funds | Total |
| 2005 | $ 7,066 | 93 | 168 | 179 | 82 | 7,588 |
| 2006 | 4,816 | 63 | 111 | 187 | 12 | 5,189 |
| 2007 | 3,650 | 5 | 100 | 194 | | 3,949 |
| 2008 | 3,064 | 5 | 100 | 66 | | 3,235 |
| 2009 | 2,950 | 5 | 100 | | | 3,055 |
| 2010-2014 | 6,381 | 7 | 500 | | | 6,888 |
| 2015-2019 | 2,524 | | 300 | | | 2,824 |
| | $ 30,451 | 178 | 1,379 | 626 | 94 | 32,728 |

### B. Capital Leases

The county has capital lease purchase agreements for various county buildings, improvements, and equipment. The assets acquired under those lease purchase agreements are included in the county's capital assets. The costs of these assets were $17,400,000 for buildings and improvements and $4,886,000 for equipment. The obligations related to those lease purchase agreements are included in the county's long-term obligations (see Note 11).

New capital lease obligations for the fiscal year ended June 30, 2004, were $1,973,000. Of this amount, $3,147,000 was used to obtain various assets during the fiscal year. Remaining unspent proceeds will be used in subsequent years.

The following is a schedule of future minimum lease payments under capital leases together with the present value of future minimum lease payments as of June 30, 2004 (in thousands):

| Fiscal Year Ending June 30 | | Governmental Activities | Business-type Activities |
|---|---|---|---|
| 2005 | $ | 2,976 | 689 |
| 2006 | | 2,305 | 689 |
| 2007 | | 2,190 | 689 |
| 2008 | | 1,752 | 689 |
| 2009 | | 1,542 | 202 |
| 2010-2014 | | 3,078 | 484 |
| 2015-2019 | | 668 | |
| 2020-2024 | | 140 | |
| Total | | 14,651 | 3,442 |
| Less: Amount representing interest | | (2,416) | (425) |
| Present value of future minimum lease payments | $ | 12,235 | 3,017 |

## C. Leases of County-Owned Property

The county has non-cancelable operating leases of property to others for various operations including recreational, commercial, airport and governmental purposes. Rental income for the year ended June 30, 2004, amounted to $2,839,000 for the General Fund, $1,534,000 for nonmajor governmental funds, $73,000 RDA Capital Projects Fund, $45,000 for the County Hospital Enterprise Fund and $3,059,000 for nonmajor enterprise funds.

The following is a schedule of future minimum rental receipts on non-cancelable lease arrangements, not including month-to-month lease agreements, as of June 30, 2004 (in thousands):

| | Governmental Activities | | Business-type Activities | | |
|---|---|---|---|---|---|
| Fiscal Year Ending June 30 | General Fund | Nonmajor Funds | County Hospital | Nonmajor Funds | Total |
| 2005 | $ 637 | 6 | 26 | 1,671 | 2,340 |
| 2006 | 462 | 6 | 26 | 1,590 | 2,084 |
| 2007 | 95 | 6 | 7 | 1,586 | 1,694 |
| 2008 | 36 | 1 | | 1,506 | 1,543 |
| 2009 | 30 | | | 1,506 | 1,536 |
| 2010-2014 | 109 | | | 6,693 | 6,802 |
| Thereafter | 26 | | | 14,129 | 14,155 |
| | $ 1,395 | 19 | 59 | 28,681 | 30,154 |

## 11. LONG-TERM OBLIGATIONS

The following is a summary of long-term liabilities transactions for the year ended June 30, 2004 (in thousands):

| | Balance July 1, 2003 | Additions | Retirements | Principal Adjustments | Balance June 30, 2004 | Amounts Due Within One Year |
|---|---|---|---|---|---|---|
| **Governmental activities** | | | | | | |
| Compensated absences | $ 35,703 | 407 | | | 36,110 | 3,611 |
| Claims payable | 99,402 | 77,294 | (57,128) | | 119,568 | 27,549 |
| Capital lease obligations | 15,330 | 1,973 | (6,432) | 1,364 | 12,235 | 2,416 |
| Certificates of participation | 31,700 | | (1,145) | | 30,555 | 1,190 |
| Pension bonds payable | 587,220 | | (18,000) | | 569,220 | 14,485 |
| Retirement litigation settlement | | 31,979 | (1,627) | | 30,352 | 701 |
| Notes payable | | | (85) | 601 | 516 | 87 |
| Other bonds payable | 7,140 | | (1,010) | | 6,130 | 1,015 |
| Lease revenue bonds | 130,960 | 18,500 | (6,745) | | 142,715 | 7,375 |
| Tax allocation bonds | 53,580 | 45,790 | (15,075) | | 84,295 | 1,250 |
| Special assessment debt | 17,222 | | (1,568) | | 15,654 | 1,648 |
| Total governmental activities - long-term obligations - gross | 978,257 | 175,943 | (108,815) | 1,965 | 1,047,350 | 61,327 |
| Capitalized premiums, discounts and deferred amounts on refundings | 303 | (773) | 8 | | (462) | (10) |
| Total governmental activities - long-term obligations - net | $ 978,560 | 175,170 | (108,807) | 1,965 | 1,046,888 | 61,317 |
| **Business-type activities** | | | | | | |
| Compensated absences | $ 7,809 | 818 | | | 8,627 | 1,176 |
| Medical liability claims payable | 6,590 | 32 | (482) | | 6,140 | 1,039 |
| Capital lease obligations | 3,555 | | (538) | | 3,017 | 562 |
| Certificates of participation | 128,980 | | (3,730) | | 125,250 | 3,925 |
| Notes payable | 562 | | (41) | 6,747 | 7,268 | 44 |
| Lease revenue bonds | 31,050 | | (730) | | 30,320 | 760 |
| Total business-type activities - long-term obligations-gross | 178,546 | 850 | (5,521) | 6,747 | 180,622 | 7,506 |
| Capitalized premiums, discounts and deferred amounts on refundings | (13,575) | | 703 | | (12,872) | (703) |
| Total business-type activities - long-term obligations-net | $ 164,971 | 850 | (4,818) | 6,747 | 167,750 | 6,803 |

(6) Debt service payments are made from operating revenues.

There are a number of limitations and restrictions contained in the various bond indentures. County management believes that the county is in compliance with all significant limitations and restrictions.

Following is a schedule of debt payment requirements to maturity for governmental activities for long-term obligations, excluding compensated absences and claims payable that have indefinite maturities, outstanding at June 30, 2004 (in thousands):

| Fiscal Year Ending June 30 | Capital Lease Obligations | | Certificates of Participation | | Pension Bonds Payable | |
|---|---|---|---|---|---|---|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2005 | $ 2,416 | 560 | 1,190 | 1,552 | 14,485 | 32,894 |
| 2006 | 1,847 | 458 | 1,245 | 1,499 | 17,730 | 31,945 |
| 2007 | 1,824 | 366 | 1,305 | 1,443 | 21,295 | 30,766 |
| 2008 | 1,468 | 284 | 1,365 | 1,383 | 22,725 | 29,339 |
| 2009 | 1,328 | 214 | 1,430 | 1,318 | 27,530 | 27,783 |
| 2010-2014 | 2,670 | 408 | 8,265 | 5,460 | 206,955 | 108,333 |
| 2015-2019 | 547 | 121 | 10,670 | 3,072 | 135,915 | 56,830 |
| 2020-2024 | 135 | 5 | 5,085 | 404 | 122,585 | 13,850 |
| Total | $ 12,235 | 2,416 | 30,555 | 16,131 | 569,220 | 331,740 |

| Fiscal Year Ending June 30 | Other Bonds Payable | | Lease Revenue Bonds | | Litigation Settlement | |
|---|---|---|---|---|---|---|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2005 | $ 1,015 | 282 | 7,375 | 6,396 | 701 | 2,428 |
| 2006 | 530 | 247 | 7,650 | 6,146 | 757 | 2,372 |
| 2007 | 570 | 222 | 7,925 | 5,884 | 817 | 2,312 |
| 2008 | 365 | 201 | 8,240 | 5,608 | 883 | 2,246 |
| 2009 | 390 | 184 | 7,030 | 5,282 | 954 | 2,175 |
| 2010-2014 | 1,975 | 622 | 33,140 | 22,211 | 6,042 | 9,603 |
| 2015-2019 | 1,285 | 110 | 31,690 | 14,171 | 8,877 | 6,768 |
| 2020-2024 | | | 24,195 | 7,501 | 11,321 | 2,602 |
| 2025-2029 | | | 15,470 | 1,633 | | |
| Total | $ 6,130 | 1,868 | 142,715 | 74,832 | 30,352 | 30,506 |

| Fiscal Year Ending June 30 | Tax Allocation Bonds | | Special Assessment Bonds | | Notes Payable | |
|---|---|---|---|---|---|---|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2005 | $ 1,250 | 4,405 | 1,648 | 877 | 87 | 15 |
| 2006 | 1,110 | 4,439 | 793 | 797 | 90 | 12 |
| 2007 | 1,395 | 4,391 | 824 | 748 | 93 | 9 |
| 2008 | 1,450 | 4,333 | 649 | 704 | 96 | 7 |
| 2009 | 1,505 | 4,270 | 665 | 668 | 98 | 4 |
| 2010-2014 | 8,650 | 20,194 | 2,167 | 2,931 | 52 | 1 |
| 2015-2019 | 11,110 | 17,656 | 4,283 | 1,989 | | |
| 2020-2024 | 14,490 | 14,167 | 1,380 | 1,202 | | |
| 2025-2029 | 18,935 | 9,613 | 1,850 | 719 | | |
| 2030-2034 | 24,400 | 3,857 | 1,395 | 131 | | |
| Total | $ 84,295 | 87,325 | 15,654 | 10,766 | 516 | 48 |

As of June 30, 2004, annual debt service requirements of business-type activities to maturity, except for compensated absences and medical liability claims payable, are as follows (in thousands):

| Fiscal Year Ending June 30 | Capital Lease Obligations | | Certificates of Participation | | Notes Payable | |
|---|---|---|---|---|---|---|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2005 | $ 562 | 127 | 3,925 | 6,718 | 44 | 847 |
| 2006 | 585 | 104 | 4,130 | 6,506 | 2,623 | 564 |
| 2007 | 610 | 79 | 4,350 | 6,268 | 51 | 214 |
| 2008 | 636 | 53 | 4,610 | 5,999 | 54 | 211 |
| 2009 | 175 | 27 | 4,885 | 5,736 | 57 | 209 |
| 2010-2014 | 449 | 35 | 28,545 | 25,226 | 231 | 996 |
| 2015-2019 | | | 37,140 | 15,603 | 148 | 931 |
| 2020-2024 | | | 37,665 | 4,282 | 198 | 866 |
| 2025-2029 | | | | | 50 | 802 |
| 2030-2034 | | | | | | 800 |
| 2035-2039 | | | | | | 805 |
| 2040-2044 | | | | | 1,000 | 737 |
| 2045-2049 | | | | | | 465 |
| 2050-2054 | | | | | | 465 |
| 2055-2059 | | | | | 2,627 | 148 |
| 2060 | | | | | 185 | 13 |
| Total | $ 3,017 | 425 | 125,250 | 76,338 | 7,268 | 9,073 |

| Fiscal Year Ending June 30 | Lease Revenue Bonds | |
|---|---|---|
| | Principal | Interest |
| 2005 | $ 760 | 1,484 |
| 2006 | 795 | 1,453 |
| 2007 | 825 | 1,420 |
| 2008 | 860 | 1,386 |
| 2009 | 895 | 1,349 |
| 2010-2014 | 5,110 | 6,116 |
| 2015-2019 | 6,495 | 4,739 |
| 2020-2024 | 8,290 | 2,933 |
| 2025-2029 | 6,290 | 694 |
| Total | $ 30,320 | 21,574 |

**Issuance of New Debt**

Public Financing Authority

In July 2003, the County of Contra Costa Public Financing Authority issued $18,500,000 in lease revenue bonds (2003 Series A), with interest rates ranging from 2.00 to 5.00 percent. The original issue premium was $21,000. The costs of issuance amounted to $539,000. The proceeds were used to finance or refinance the construction, acquisition and installation of various capital projects, and prepay a privately placed lease that financed the acquisition, rehabilitation and construction of an adolescent residential treatment facility.

Tax Allocation Revenue Bonds

In August 2003, the Contra Costa County Redevelopment Agency (RDA) issued 2003 tax allocation revenue bonds, Series A and B, for $43,345,000 and $2,445,000, respectively. Interest rates ranged from 3.00 to 5.85 percent. The proceeds of the bonds were used to refund the remaining portion of the 1992 tax allocation bonds for the Pleasant Hill BART Project Area and to finance redevelopment projects, including some housing projects. The bonds are a special obligation of the RDA and are payable from and secured by a pledge of property tax increment revenues.

Retirement Litigation Settlement

CCCERA settled its litigation, entitled Vernon D. Paulson, et al. vs. Board of Retirement of the CCC Employees' Retirement Association et al. The county and CCC Fire Protection District will pay their remaining portions of the liability over a twenty year period. The county's portion is $28,065,000 and CCC Fire Protection District's portion is $3,914,000.

**Defeased Obligations**

The county has defeased certain obligations by placing a portion of the proceeds of new debt issuances in irrevocable trusts to provide for all future debt service payments on the refunded obligations. Accordingly, the trust account assets and the liability of the defeased debt are not included on the financial statements of the county. On June 30, 2004, $53,640,000 in outstanding obligations is considered to be defeased.

In August 2003, the county issued $43,345,000 in tax allocation bonds of which a portion was used to defease $7,085,000 of 1992 tax allocation bonds. A summary of the sources and uses of funds, cash flow, and economic gain for this defeasance are as follows:

**Sources and Uses of Funds:**

| **Sources of Funds** | | |
|---|---|---|
| Principal amount of tax allocation bonds | $ | 43,345,000 |
| Less: Net original issue discount | | (583,000) |
| Less: Underwriter's discount | | (433,000) |
| Cash contribution to reserve | | 1,012,000 |
| Prior reserve | | 663,000 |
| **Total Sources of Funds** | $ | 44,004,000 |

| **Uses of Funds** | | |
|---|---|---|
| Cost of issuance fund | $ | 238,000 |
| Capitalized interest account | | 1,394,000 |
| Redevelopment funds | | 17,460,000 |
| Refunding fund | | 7,253,000 |
| Reserve funds | | 4,369,000 |
| Escrow fund-series A | | 13,290,000 |
| **Total Uses of Funds** | $ | 44,004,000 |

**Cash Flows:**

| Prior Debt Service | Refunding Debt Service | Reduction/(Increase) of Debt Service | Present Value of Reduction/(Increase) of Debt Service @ 5.6430023% |
|---|---|---|---|
| $ 13,111,000 | $ 11,759,000 | $ 1,352,000 | $ 834,000 |

**Economic Gain:**

| | |
|---|---|
| Present value of savings from cash flow | $ 834,000 |
| Less: prior funds on hand | (663,000) |
| Plus: refunding funds on hand | 625,000 |
| **Net Present Value of Economic Gain** | $ 796,000 |

### Legal Debt Limit

As of June 30, 2004, the county's debt limit (5 percent of valuation subject to taxation) was $5.454 billion. The total amount of debt applicable to the debt limit was $637 million, net of assets in the debt service funds and other deductions allowed by law. The resulting legal debt margin was $4.816 billion.

### Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The county engages consultants to perform calculations of excess investment earnings on tax-exempt bonds and as of June 30, 2004, does not expect to incur a liability.

## 12. CONDUIT DEBT

From time to time Multifamily/Single Family Housing Revenue Bonds have been issued in the county's name to provide mortgage loans secured by first trust deeds on newly constructed and existing housing and to provide funds to builders for construction/remodeling of housing projects.

The bonds do not constitute an indebtedness of the county. They are payable solely from payments made on and secured by a pledge of the acquired mortgage loans or housing units and certain funds and other monies held for the benefit of the bondholders pursuant to the bond indentures. The county is not obligated in any manner for repayment of the indebtedness. Accordingly, no liability has been recorded in the basic financial statements.

As of June 30, 2004, the county had participated in the issuance of thirty-five series of Multifamily or Single Family Housing Revenue Bonds. The aggregate principal amount remaining payable for the bonds issued was $388,373,000.

Not included in the above amount are two defeased issues totaling $54,805,000.

## 13. NET ASSETS/FUND BALANCES

The government-wide financial statements and proprietary and fiduciary fund financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- *Invested in capital assets, net of related debt* - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- *Restricted net assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted net assets* – This category represents net assets of the county, not restricted for any project or other purpose.

In the governmental fund financial statements, reserves segregate portions of fund balance that are either not available for appropriation or are legally restricted by outside parties for use.

As of June 30, 2004, reservations of fund balance are described below:

- *Encumbrances* – to reflect the outstanding contractual obligations for which goods and services have not been received.

- *Inventories* – to reflect the portion of assets which do not represent available spendable resources.

- *Advances to other funds* – to reflect the amount due from other funds that are long-term in nature. Such amounts do not represent available spendable resources.

- *Prepaid items and deposits* – to reflect amounts paid in advance by the county for goods not yet received or services not yet performed.

- *Land held for resale* – to reflect investment in land which does not represent available spendable resources.

- *Bond proceeds with eligibility restriction* – to account for bond proceeds held in escrow by the trustee for future use on capital projects once certain eligibility requirements are met.

- *Housing projects* - to account for financial resources designated for increasing and improving the supply of housing for persons and families of low or moderate income.

- *Debt service* – to reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest or as reserves. These funds are not available for general operations.

- *Nonexpendable permanent funds* – to reflect the fund's principal balance which is not expendable.

- *Childcare facilities program* – to reflect funds restricted for the child care facilities program that represent child care mitigation fees collected from developers for the purpose of the creation or expansion of child care services in the redevelopment project areas.

## 14. PERMANENT FUND

The Permanent Fund accounts for the financial activities and balances of donor-restricted endowments for the county's libraries. Interest income may be used for the establishment and furnishing of children's areas within libraries, literacy programs and the acquisition of books that meet the criteria of the endowments. In accordance with the terms of the endowments and the California Government Code Section 25355, only the interest income may be used; any unused income may be used in a subsequent year. The amount available for spending, $181,000 at June 30, 2004, is shown on the Statement of Net Assets as Net Assets Restricted for Permanent Fund - Expendable.

## 15. EMPLOYEES' RETIREMENT PLAN

### A. Plan Description

The Contra Costa County Employees' Retirement Association (CCCERA) is a cost-sharing multiple-employer defined benefit pension plan (the plan) governed by the County Employees' Retirement Law of 1937 (the 1937 Act). The plan covers substantially all of the employees of the county, its special districts, the Housing Authority and thirteen other member agencies. The plan issues stand-alone financial statements which can be directly obtained from its office, as indicated in Note 1.A.

The plan provides for retirement, disability, death and survivor benefits, in accordance with the 1937 Act. Annual cost-of-living adjustments to retirement benefits can be granted by the Retirement Board as provided by state statutes.

The plan is currently divided into seven benefit sections in accordance with the 1937 Act. These sections are known as General Tier I, enhanced and non-enhanced; Tier II; Tier III enhanced and non-enhanced; Safety enhanced and non-enhanced. On October 1, 2002, the Contra Costa County Board of Supervisors adopted Resolution No. 2002/608, which provides enhanced benefit changes commonly known as 3% at 50 for safety members and 2% at 55 for general members, effective July 1, 2002, and January 1, 2003, respectively. The enhanced benefits do not apply to bargaining units represented by the California Nurses Association or to the non-represented employees within similar classifications as employees in bargaining units represented by the California Nurses Association, or to the supervisors and managers of those employees until January 1, 2005.

Legislation was signed by the Governor in 2002 which allowed Contra Costa County, effective October 1, 2002, to provide Tier III to all new employees, to move those previously in Tier II to Tier III as of that date, and to apply all future service as Tier III. Tier III was originally created October 1,

1998 and made available to all members with five or more years of Tier II service who elected to transfer to Tier III coverage.

Tier I includes members not mandated to be in Tier II or Tier III and reciprocal members who elect Tier I membership. As of December 31, 2003, Tier II includes only the employees described in the paragraph above for whom the county did not adopt the enhanced benefits. County employees who were moved to Tier III effective October 1, 2002, continue to have Tier II benefits for service prior to that date unless the service is converted to Tier III.

Safety includes members in active law enforcement, active fire suppression work or certain other "Safety" classifications as designated by the Retirement Board.

Effective November 1, 2002, an additional flat monthly retiree benefit of $200 is being provided for all former members who retired prior to January 1, 1983, and are currently receiving pension benefits (including spousal continuance benefits). The total cost of this benefit improvement is $22,955,000 and was funded from excess earnings.

Service retirement benefits are based on age, length of service and final average salary. For the Tiers I, III and Safety sections, the retirement benefit is based on a one-year average salary, in accordance with the California Code Section 31462. For Tier II, the benefit is based on a three-year average salary.

**B. Funding Policy**

Pursuant to provisions of the County Employees Retirement Law of 1937, the Retirement Board recommends the annual contribution rates for adoption by the Board of Supervisors. New contribution rates, based on the actuarial study as of December 31, 2001, became effective January 1, 2002. The contribution requirements are determined as a percentage of payroll.

The employer rates were calculated on the alternate funding method permitted by the California Government Code Section 31453.5. The "entry age normal funding" method is used to calculate the rate required to provide all the benefits promised to a new member. Unfunded costs resulting from this calculation are amortized on a level percent closed basis over 16 years from the December 31, 2001, valuation date.

Active plan members are required to contribute an actuarially determined percentage of their annual covered salary. The required percentage rates vary according to the benefit section and entry age of the employee. The rates in effect during fiscal year 2003-2004 (based on covered payroll as of January 1, 2003) ranged from 3.45 percent to 17.44 percent of the employees' annual covered salary.

The county employer rates of contribution, calculated as a percentage of the county's covered payroll as determined in an actuary report as of December 31, 2002, for fiscal year 2003-2004 were:

| | Non-Enhanced | Enhanced |
|---|---|---|
| General Members, Tier I | 15.96% | 17.43% |
| General Members, Tier II | 9.04 | N/A |
| General Members, Tier III | 9.58 | 12.76 |
| Safety Members | N/A | 26.24 |

The county's annual pension cost and prepaid pension asset, computed in accordance with GASB 27, *Accounting for Pensions by State and Local Governmental Employers*, for the year ended June 30, 2004, were as follows (in thousands):

| | | |
|---|---|---|
| Annual required contribution (county fiscal year basis) | $ | 81,494 |
| Interest on pension asset | | (47,502) |
| Adjustment to the annual required contribution | | 69,650 |
| Annual pension cost | | 103,642 |
| Contributions made (including Retirement Litigation Settlement) | | 81,494 |
| Decrease in pension asset | | (22,148) |
| Pension asset, beginning of year | | 579,823 |
| Pension asset, end of year | $ | 557,675 |

The following table shows the county's annual pension cost and the percentage contributed for the 2004 fiscal year and each of the two preceding years (in thousands):

| Fiscal Year Ended June 30 | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Asset |
|---|---|---|---|
| 2002 | $ 58,668 | 74.71% | $ 278,723 |
| 2003 | 96,719 | 81.39% | 579,823 |
| 2004 | 103,642 | 78.63% | 557,675 |

The county has made its annual required contribution (ARC) for each of the past three years. The difference between the ARC and the annual pension cost (APC) is due to the amortization of the Net Pension Asset.

## 16. SPECIAL ITEM – RETIREMENT LITIGATION SETTLEMENT

During the year ended December 31, 1999, CCCERA settled its litigation, entitled Vernon D. Paulson, et al. vs. Board of Retirement of the Contra Costa County Employees' Retirement Association, et al. As of October 14, 1999, all legal documents to finalize the case settlement were signed by the court.

The consolidated lawsuit was brought on behalf of a class of retired members of CCCERA regarding the inclusions and the exclusions from "final" compensation that are used in calculating members' retirement benefits as a result of the Ventura Decision. The Ventura Decision held that a county retirement system operating under provisions of the County Employees Retirement Law of 1937 must include certain types of cash incentive payments and additional pay elements received by an employee, within the employees' "compensation earnable" and "final" compensation when calculating the employee's retirement benefits. A settlement agreement has been entered into with all parties and a petitioners' class has been certified consisting of all retired members of CCCERA whose effective retirement date was on or before September 30, 1997 (i.e., the period prior to the October 1, 1997, effective date of the Ventura Decision).

As of January 1, 2003, the liability resulting from the settlement was $108,294,000 for the county, $2,019,000 for the Housing Authority of the County of Contra Costa (Housing Authority) and $18,365,000 for the Contra Costa County Fire Protection District (CCC Fire). The CCCERA Board had previously designated $90,000,000 from retirement unrestricted excess earnings, plus the interest earned, to help cover the anticipated liability. As of January 1, 2003, this amounted to $99,185,000. The Housing Authority has paid all of its liability. CCC Fire and the county have entered into payment agreements for their portions of the liability ($3,914,000 and $28,065,000 respectively, plus interest) over a twenty year period.

The total amount has been recorded as a Special Item charge for fiscal year ending June 30, 2004, in the Government-wide Statement of Activities. Payments will be recorded as a charge each year in the fund basis statements.

## 17. PATIENT SERVICE REVENUE AND RECEIVABLES

The County Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. Charges for services are reported at estimated net realizable amounts from patients, third-party payers and others for services rendered and include estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, or investigations.

Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The County Hospital's Medicare and Medi-Cal cost reports have

been audited by the fiscal intermediary through June 30, 2002. As such, the cost reports for the prior year are still under review by fiscal intermediaries and have not been settled due to certain unresolved reimbursement issues. The county believes it has adequately provided for any liabilities that may arise from the fiscal intermediaries' audits.

Net receivables from patients and third-party payers at June 30, 2004, are summarized as follows:

| | | |
|---|---|---|
| Medicare | $ | 3,204,000 |
| Medi-Cal | | 4,538,000 |
| Insurance and other third-party payers | | 2,711,000 |
| Total | $ | 10,453,000 |

## 18. RISK MANAGEMENT

The county self-insures its unemployment, dental and management long-term disability. The county is self-insured to $750,000 per occurrence for workers' compensation, and maintains $60,000,000 of excess insurance coverage per occurrence with commercial insurance carriers. The county is self-insured to $1,000,000 per occurrence on public and automobile liability, and maintains $25,000,000 excess insurance coverage with commercial insurance carriers. Liability claims arising from operations at the county's two airports are fully insured to $100,000,000 under a separate commercial insurance policy. The county is self-insured to $500,000 on a claims made basis for medical malpractice and maintains $10,000,000 of excess insurance with commercial insurance carriers. The county adjusts all self-insured claims in-house.

The county maintains up to $1,770,000,000 "All Risk" insurance coverage subject to a $50,000 deductible to cover its property, except for loss caused by earthquake or flood. Loss caused by earthquake is insured to $375,000,000 and is subject to a minimum $500,000 deductible. Loss caused by flood is insured to $1,770,000,000 and is subject to a minimum $100,000 deductible.

The county maintains a separate insurance policy to cover the Sheriff-Coroner's two helicopters up to $50,000,000 for liability arising from the helicopters' use.

During the past three years there have been no instances of the amount of claim settlements exceeding insurance coverage.

Internal Service Funds are used to account for the county's self-insurance activities. It is the county's policy to provide in each fiscal year, by charges to affected operating funds, amounts sufficient to cover the estimated expenditures for self-insured claims. Charges to operating funds are recorded as expenditures/expenses of such funds and revenues of the Internal Service Funds. Accrual and payment of claims are recorded in the Internal Service Funds.

The county has accrued a liability of $125,708,000 at June 30, 2004, for all self-insured claims in the Internal Service Funds, which includes an amount for incurred but not reported claims. The self-insurance reserve is based on actuarially determined amounts for workers' compensation, public and automobile liability, and medical liability and based on management's estimates for all other reserves. In

the opinion of the county, the amounts accrued are adequate to cover claims incurred but not reported in addition to known claims.

Changes to the Internal Service Funds' claims liability amount for fiscal years 2002-2003 and 2003-2004 are as follows (in thousands):

| | | |
|---|---|---|
| Liability at June 30, 2002 | $ | 95,055 |
| FY 2002-2003 claims and changes in estimates | | 62,344 |
| FY 2002-2003 claim payments | | (51,407) |
| Liability at June 30, 2003 | | 105,992 |
| FY 2003-2004 claims and changes in estimates | | 77,326 |
| FY 2003-2004 claim payments | | (57,610) |
| Liability at June 30, 2004 | $ | 125,708 |

The actuarially determined claims liabilities, including incurred but not reported claims, are based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that modify past experience. It also includes incremental claim adjustment expenses. In addition, estimated recoveries on settled and unsettled claims were evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims.

## 19. COMMITMENTS AND CONTINGENCIES

### A. Grants

The county participates in a number of federal and state grant programs which are subject to financial and compliance audits by the grantors or their representatives. Audits of certain grant programs through June 30, 2004, have not yet been conducted. Accordingly, the county's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The county believes that such disallowances, if any, would not have a material effect on the basic financial statements.

### B. Health Insurance

Health care benefits for active and retired employees are jointly financed by the beneficiaries and by the county. Most employees have a choice of participation in five medical plans: Kaiser Permanente, a private health maintenance organization (HMO); Health Net (HMO); Health Net preferred provider organization (PPO); and the Contra Costa Health Plans (CCHP) A and B, operated by the county Health Services Department. Employees represented by either the Deputy Sheriffs' Association (DSA), District Attorney Investigators' Association (DAIA), or United Professional Fire Fighters' IAFF Local 1230 are eligible to participate in medical plans administered by the California Public Employees' Retirement System (CalPERS).

For non-CalPERS administered medical plans, the county subvents 80.0 percent of Kaiser, 80.0 percent of Health Net (HMO), 59.0 percent of Health Net (PPO) and 98.0 percent of CCHP A and

90.0 percent of CCHP B premiums for plan members. The county subvention for CalPERS administered plans is a flat rate depending on the employees' union representation and the number of dependents covered under the plans. All permanent employees have a choice of two dental plans as follows: a county self-funded plan administered by Delta Dental; and a PMI Delta Care Plan. The county's self-funded plan is an indemnity program and the PMI Delta Care plan is a prepaid program.

The county's contribution to health and dental plans during fiscal year 2003-2004 for active employees was $65,881,000. The county's liability for health care benefits is limited to its annual contribution.

### C. Postemployment Benefits Other Than Pensions

In addition to providing retirement benefits as described in Note 15, retired employees are allowed to continue participation in the medical and dental plans described above. As of June 30, 2004, there were 4,633 retired employees participating in the health plans, and the county contributed $25,216,000 toward payment of the premiums. The cost of retiree health care is recognized when the county makes its contribution on a pay-as-you-go basis and is accounted for in the General Fund, Library and Fire District Special Revenue Funds, enterprise funds, or fiduciary funds as appropriate. This postemployment benefit was approved by Board of Supervisors resolution number 264 on August 22, 1961, with an effective date of October 1, 1961. To be eligible, the retiring employee must have been a member of a participating health plan at the date of retirement.

### D. Special Assessment Debt

The county is considered to be "obligated in some manner," as defined by GASB Statement No. 6, *Accounting and Financial Reporting for Special Assessments*, for its special assessment debt. The county is obligated to foreclose on properties for which owners have failed to pay assessment installments as they fall due and the county may honor deficiencies to the extent that lien foreclosure proceeds are insufficient. The county's obligation to advance monies to pay debt service in the event of delinquent assessment installments is limited to the amount of remaining original bond proceeds and installments received. Special assessment debt is included in the county's statement of net assets and special assessment transactions are included in the Assessment Districts Debt Service Fund. Debt service payments are made from special assessments of the related special assessment district.

### E. Construction Commitments

The county had entered a contract for the construction of the Contra Costa County Animal Services Facility. At June 30, 2004, there was an outstanding commitment of $2,004,000 for this project.

### F. Pending Legal Matters

Numerous lawsuits are pending or threatened against the county. The county has recorded actuarially determined reserves in the internal service funds to adequately cover estimated potential material adverse losses at June 30, 2004.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

COUNTY OF CONTRA COSTA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**GENERAL FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues:** | | | | |
| Taxes | $ 227,047 | 208,897 | 210,032 | 1,135 |
| Licenses, permits and franchise fees | 14,258 | 15,386 | 17,593 | 2,207 |
| Fines, forfeitures and penalties | 14,944 | 15,223 | 27,443 | 12,220 |
| Use of money and property | 6,139 | 7,450 | 5,412 | (2,038) |
| Intergovernmental | 486,255 | 529,195 | 508,679 | (20,516) |
| Charges for services | 175,584 | 186,396 | 186,508 | 112 |
| Other revenue | 65,777 | 101,863 | 88,489 | (13,374) |
| **Total Revenues** | 990,004 | 1,064,410 | 1,044,156 | (20,254) |
| **Expenditures:** | | | | |
| Current: | | | | |
| General Government: | | | | |
| Administrator | 4,102 | 3,998 | 3,473 | 525 |
| Assessor | 14,007 | 13,820 | 13,425 | 395 |
| Auditor-Controller | 6,713 | 6,566 | 6,315 | 251 |
| Board of Supervisors | 8,692 | 8,976 | 4,475 | 4,501 |
| Building Maintenance | 18,584 | 24,614 | 23,308 | 1,306 |
| Building Occupancy Cost | 14,683 | 16,274 | 14,373 | 1,901 |
| Central Service/Microfilm | 503 | 747 | 708 | 39 |
| Clerk of the Board | 598 | 598 | 489 | 109 |
| Community Access Television | 570 | 811 | 810 | 1 |
| County Counsel | 3,987 | 3,910 | 3,673 | 237 |
| Crockett-Rodeo Revenues | 1,267 | 463 | 463 | |
| Economic Development | 436 | 339 | 273 | 66 |
| Elections | 5,304 | 7,455 | 6,981 | 474 |
| Employee Benefits | 10,502 | 5,729 | 1,668 | 4,061 |
| Fleet Services | 3,137 | 3,300 | 3,003 | 297 |
| General Services Administration | 1 | 1 | 1 | |
| Human Resources | 7,878 | 7,837 | 6,344 | 1,493 |
| Information Technology | 1,948 | 1,708 | 1,413 | 295 |
| Insurance | 5,257 | 4,956 | 4,394 | 562 |
| Management Information Systems | 1,446 | 1,716 | 733 | 983 |
| Personnel Merit Board | 97 | 97 | 75 | 22 |
| Plant Acquisition | 37,356 | 79,319 | 28,912 | 50,407 |
| Purchasing | 861 | 911 | 829 | 82 |
| Revenue Collections | 2,382 | 2,382 | 2,190 | 192 |
| Telecommunications | 1,288 | 1,849 | 1,724 | 125 |
| Treasurer-Tax Collector | 4,745 | 4,597 | 4,295 | 302 |
| UAAL Pension Bond Debt Service Transfers | (2,960) | (2,960) | (2,960) | |
| Total General Government | 153,384 | 200,013 | 131,387 | 68,626 |

(continued)

COUNTY OF CONTRA COSTA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**GENERAL FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Public Protection: | | | | |
| Agriculture | 3,500 | 3,794 | 3,706 | 88 |
| Animal Services | 7,704 | 7,533 | 7,016 | 517 |
| CCC Department Child Support Services | 21,279 | 22,286 | 21,042 | 1,244 |
| Community Development | 6,448 | 6,664 | 6,623 | 41 |
| Conflict Defense Services | 1,648 | 1,648 | 1,551 | 97 |
| Coroner | 1,707 | 1,740 | 1,728 | 12 |
| Criminal Grand Jury | 77 | 77 | 74 | 3 |
| District Attorney | 23,581 | 23,136 | 21,668 | 1,468 |
| Emergency Services | 4,462 | 9,539 | 6,005 | 3,534 |
| Flood Control | 871 | 871 | 778 | 93 |
| Grand Jury | 107 | 112 | 112 | |
| Jail | 50,199 | 52,762 | 51,798 | 964 |
| Jail - Health Services | 11,235 | 12,593 | 12,571 | 22 |
| Justice System Programs | 2,733 | 1,007 | 546 | 461 |
| Law and Justice Systems | 301 | 301 | 299 | 2 |
| Local Agency Formation | 304 | 327 | 327 | |
| Probation - Programs | 25,007 | 24,286 | 23,194 | 1,092 |
| Probation - Facilities | 19,882 | 19,392 | 18,991 | 401 |
| Probation - Care of Court Wards | 8,998 | 8,978 | 6,104 | 2,874 |
| Public Administrator | 238 | 238 | 204 | 34 |
| Public Defender | 17,947 | 17,947 | 16,567 | 1,380 |
| Recorder | 3,463 | 3,663 | 3,625 | 38 |
| Sheriff | 82,093 | 79,241 | 75,171 | 4,070 |
| Trial Court Programs | 21,449 | 26,171 | 26,150 | 21 |
| Vehicle Theft Programs | 1,463 | 1,463 | 788 | 675 |
| UAAL Pension Bond Debt Service Transfer | (12,189) | (12,189) | (12,189) | |
| Total Public Protection | 304,507 | 313,580 | 294,449 | 19,131 |
| Health and Sanitation: | | | | |
| Children's Services | 6,586 | 6,127 | 6,127 | |
| Conservator/Guardianship | 1,516 | 1,463 | 1,463 | |
| Environmental Health | 11,429 | 11,270 | 11,250 | 20 |
| General Sewer Planning | 23 | 23 | 23 | |
| Health Services Homeless Program | 5,619 | 5,626 | 5,600 | 26 |
| Medical Disproportionate Share | 17,561 | 25,873 | 25,873 | |
| Mental Health | 90,456 | 97,085 | 95,742 | 1,343 |
| Public Health | 44,631 | 42,267 | 42,108 | 159 |
| Solid Waste Management | 807 | 872 | 437 | 435 |
| Substance Abuse | 18,713 | 18,812 | 18,797 | 15 |
| UAAL Pension Bond Debt Service Transfer | (3,232) | (3,232) | (3,232) | |
| Total Health and Sanitation | 194,109 | 206,186 | 204,188 | 1,998 |

(continued)

COUNTY OF CONTRA COSTA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**GENERAL FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance-Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Public Assistance: | | | | |
| Ann Adler Child & Family | 88 | 88 | 35 | 53 |
| Community Development | 15,817 | 10,519 | 9,260 | 1,259 |
| Community Services | 25,078 | 25,104 | 24,163 | 941 |
| Housing Rehabilitation | 322 | 322 | 311 | 11 |
| EHSD - Administration | 2,837 | 4,391 | 3,523 | 868 |
| EHSD - Child & Family | 111,110 | 109,824 | 107,525 | 2,299 |
| EHSD - Aging & Adult | 65,666 | 80,145 | 79,625 | 520 |
| EHSD - Workforce Services | 99,282 | 114,144 | 108,189 | 5,955 |
| EHSD - WFRC Investment Board | 6,905 | 7,962 | 6,612 | 1,350 |
| Services Integration | 674 | 689 | 484 | 205 |
| Veterans Services | 564 | 593 | 589 | 4 |
| UAAL Pension Bond Debt Service Transfer | (5,080) | (5,080) | (5,080) | |
| Total Public Assistance | 323,263 | 348,701 | 335,236 | 13,465 |
| Education: | | | | |
| Cooperative Extension Services | 319 | 319 | 313 | 6 |
| UAAL Pension Bond Debt Service Transfer | (7) | (7) | (7) | |
| Total Education | 312 | 312 | 306 | 6 |
| Public Ways and Facilities: | | | | |
| Public Works | 31,463 | 31,448 | 27,489 | 3,959 |
| Road Construction | 15,817 | 15,817 | 11,927 | 3,890 |
| UAAL Pension Bond Debt Service Transfer | (997) | (997) | (997) | |
| Total Public Ways and Facilities | 46,283 | 46,268 | 38,419 | 7,849 |
| Recreation and Culture: | | | | |
| Park Administration | 1 | 1 | | 1 |
| Total Recreation and Culture | 1 | 1 | | 1 |
| Debt Service: | | | | |
| Interest | 1,925 | 434 | 432 | 2 |
| Capital Outlay | | 1,973 | 1,973 | |
| **Total Expenditures** | 1,023,784 | 1,117,468 | 1,006,390 | 111,078 |
| **Excess of Revenues Over/(Under) Expenditures** | (33,780) | (53,058) | 37,766 | 90,824 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers in | 21,367 | 32,772 | 30,288 | (2,484) |
| Transfers out | (90,330) | (87,803) | (87,978) | (175) |
| Proceeds from issuance of debt | (11) | | | |
| Capital lease financing | | 1,973 | 1,973 | |
| **Total Other Financing Sources (Uses)** | (68,974) | (53,058) | (55,717) | (2,659) |
| **Net Change in Fund Balances** | (102,754) | (106,116) | (17,951) | 88,165 |
| **Fund Balance at Beginning of Year, as Previously Reported** | 138,569 | 138,569 | 138,569 | |
| Prior period adjustment | | | (732) | (732) |
| **Fund Balance at Beginning of Year, as Restated** | 138,569 | 138,569 | 137,837 | (732) |
| **Fund Balance at End of Year** | $ 35,815 | 32,453 | 119,886 | 87,433 |

(concluded)

COUNTY OF CONTRA COSTA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**LAND DEVELOPMENT SPECIAL REVENUE FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Licenses, permits and franchise fees | $ 11,598 | 11,598 | 17,282 | 5,684 |
| Use of money and property | 541 | 541 | 367 | (174) |
| Intergovernmental | | | 50 | 50 |
| Charges for services | 12,453 | 12,553 | 7,258 | (5,295) |
| Other revenue | 6,724 | 6,976 | 6,260 | (716) |
| **Total Revenues** | 31,316 | 31,668 | 31,217 | (451) |
| **Expenditures:** | | | | |
| Current: | | | | |
| Public Protection | | | | |
| Salaries and benefits | 9,531 | 9,444 | 8,653 | 791 |
| Services and supplies | 20,879 | 20,849 | 2,497 | 18,352 |
| Other charges | 1,661 | 1,941 | 1,855 | 86 |
| Fixed assets | 289 | 348 | 85 | 263 |
| Expenditure transfers | 4,692 | 4,874 | 4,400 | 474 |
| Total Public Protection | 37,052 | 37,456 | 17,490 | 19,966 |
| Public Ways and Facilities | | | | |
| Services and supplies | 2,517 | 2,725 | 1,235 | 1,490 |
| Other charges | 145 | 246 | 243 | 3 |
| Expenditure transfers | 9,606 | 9,298 | 7,900 | 1,398 |
| Total Public Ways and Facilities | 12,268 | 12,269 | 9,378 | 2,891 |
| **Total Expenditures** | 49,320 | 49,725 | 26,868 | 22,857 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (18,004) | (18,057) | 4,349 | 22,406 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers in | | | 12 | 12 |
| Transfers out | (310) | (310) | (362) | (52) |
| **Total Other Financing Sources (Uses)** | (310) | (310) | (350) | (40) |
| **Net Change in Fund Balance** | (18,314) | (18,367) | 3,999 | 22,366 |
| **Fund Balance at Beginning of Year** | 19,024 | 19,024 | 19,024 | |
| **Fund Balance at End of Year** | $ 710 | 657 | 23,023 | 22,366 |

COUNTY OF CONTRA COSTA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**REDEVELOPMENT AGENCY CAPITAL PROJECTS FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Taxes | $ 6,462 | 6,827 | 5,467 | (1,360) |
| Use of money and property | 429 | 429 | 539 | 110 |
| Intergovernmental | | | 120 | 120 |
| Charges for services | 949 | 949 | | (949) |
| Other revenue | | | 57 | 57 |
| **Total Revenues** | 7,840 | 8,205 | 6,183 | (2,022) |
| **Expenditures:** | | | | |
| Current: | | | | |
| Public Assistance | | | | |
| Salaries and benefits | | 8 | | 8 |
| Services and supplies | 9,762 | 10,364 | | 10,364 |
| Other charges | 66,719 | 65,206 | 8,255 | 56,951 |
| Expenditure transfers | 1,182 | 1,488 | | 1,488 |
| Total Public Assistance | 77,663 | 77,066 | 8,255 | 68,811 |
| Debt service: | | | | |
| Interest | | | 24 | (24) |
| Bond issuance cost | | | 654 | (654) |
| Capital outlay | | 961 | | 961 |
| **Total Expenditures** | 77,663 | 78,027 | 8,933 | 69,094 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (69,823) | (69,822) | (2,750) | 67,072 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers in | 1,901 | 1,901 | 311 | (1,590) |
| Transfers out | (1,417) | (1,417) | (1,045) | 372 |
| Proceeds from issuance of debt | 29,625 | 29,625 | 32,004 | 2,379 |
| Discount on debt issued | | | (583) | (583) |
| **Total Other Financing Sources (Uses)** | 30,109 | 30,109 | 30,687 | 578 |
| **Net Change in Fund Balance** | (39,714) | (39,713) | 27,937 | 67,650 |
| **Fund Balance at Beginning of Year** | 39,123 | 39,123 | 39,123 | |
| **Fund Balance at End of Year** | $ (591) | (590) | 67,060 | 67,650 |

## BUDGETS AND BUDGETARY ACCOUNTING

In accordance with the provisions of the California Government Code Sections 29000-29145 and other statutory provisions, commonly known as the County Budget Act, the Board of Supervisors legally adopts a budget for each fiscal year. Budgets are adopted on the modified accrual basis. Prior to June 30 the County Administrator develops, recommends and the Board of Supervisors adopts a proposed budget for the next fiscal year. This is based on preliminary data because the county's books have not yet been closed, ending fund balances have not been established, and the state has not yet adopted its budget. Later, after a series of public hearings the Board of Supervisors adopts a formal budget on or before October 2. This budget establishes the maximum authorized expenditures for the fiscal year that cannot be exceeded except by subsequent amendments to the budget by the Board of Supervisors and is reported in the budgetary comparison schedule as the "Original Budget."

Supplemental appropriations, which are normally financed by unanticipated revenues during the year, and any amendments or transfers of appropriations between summary accounts or departments must be approved by the Board of Supervisors. Pursuant to a Board of Supervisors Resolution, the County Administrator is authorized to approve transfers of appropriations among summary accounts within a department as deemed necessary and appropriate. Accordingly, the legal level of budgetary control by the Board of Supervisors is at the department level. Budgeted amounts amended during the fiscal year by the County Administrator and, when necessary, by resolution of the Board of Supervisors are reported in the budgetary comparison schedule as the "Final Budget."

The objective of the county's budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Supervisors. No department is permitted to spend and/or encumber more than its available appropriations. Increases in budget appropriations must be approved by the Board of Supervisors as a transfer from the Reserve for Contingencies, as a transfer from another appropriation, or as an appropriation of new or unanticipated revenue. Using the county's automated accounting system, staff of the Auditor-Controller monitors the expenditures of each department to ensure that they don't exceed the amounts appropriated by the Board of Supervisors for the year. The county uses an encumbrance system as an extension of normal budgetary accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities and are re-established, along with their encumbered appropriations as part of the following year's budget. Any appropriations remaining in the departments at the end of the fiscal year automatically lapse and are transferred to fund balance. The year-end fund balance, along with projected revenues, becomes available for appropriation the following year.

The amounts reported as expenditures by department include amounts charged each department to service the pension obligation bond debt and the liability for the Retirement Litigation Settlement because the budget includes these amounts as expenditures. "UAAL Pension Bond Debt Service Transfer" and "Retirement Litigation Settlement Transfer" are reporting adjustments made at the function level to achieve agreement with the financial statements where these expenditures are reported as transfers in accordance with GASB.

COUNTY OF CONTRA COSTA
**COMBINING BALANCE SHEET**
**NONMAJOR GOVERNMENTAL FUNDS**
JUNE 30, 2004
(In Thousands)

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Permanent Fund | Total |
|---|---|---|---|---|---|
| **Assets:** | | | | | |
| Cash and investments | $ 223,373 | 43,564 | 4,104 | 2,016 | 273,057 |
| Accounts receivable and accrued revenue | 13,392 | 2,693 | | | 16,085 |
| Due from other funds | 6,149 | 157 | | | 6,306 |
| Advances to other funds | 6,103 | | | | 6,103 |
| Notes receivable | 10,363 | | | | 10,363 |
| Prepaid items and deposits | 1,709 | | | | 1,709 |
| Land held for resale | 444 | | | | 444 |
| **Total Assets** | $ 261,533 | 46,414 | 4,104 | 2,016 | 314,067 |
| **Liabilities and Fund Balances:** | | | | | |
| **Liabilities:** | | | | | |
| Accounts payable and accrued liabilities | $ 12,699 | 4,796 | 79 | | 17,574 |
| Due to other funds | 21,414 | 8,722 | | 106 | 30,242 |
| Welfare program advances | 3 | | | | 3 |
| Advances from other funds | 4,636 | 94 | | | 4,730 |
| Deferred revenue | 13,978 | | | | 13,978 |
| **Total Liabilities** | 52,730 | 13,612 | 79 | 106 | 66,527 |
| **Fund Balances:** | | | | | |
| Reserved for: | | | | | |
| Encumbrances | 5,545 | | | | 5,545 |
| Advances to other funds | 6,093 | | | | 6,093 |
| Prepaid items and deposits | 1,709 | | | | 1,709 |
| Land held for resale | 444 | | | | 444 |
| Housing projects | 511 | | | | 511 |
| Debt service | | 25,727 | | | 25,727 |
| Nonexpendable permanent fund | | | | 1,729 | 1,729 |
| Unreserved, reported in: | | | | | |
| Special revenue funds | 194,501 | | | | 194,501 |
| Debt service funds | | 7,075 | | | 7,075 |
| Capital projects funds | | | 4,025 | | 4,025 |
| Permanent fund | | | | 181 | 181 |
| **Total Fund Balances** | 208,803 | 32,802 | 4,025 | 1,910 | 247,540 |
| **Total Liabilities and Fund Balances** | $ 261,533 | 46,414 | 4,104 | 2,016 | 314,067 |

COUNTY OF CONTRA COSTA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Permanent Fund | Total |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Taxes | $ 126,599 | 7,289 | | | 133,888 |
| Licenses, permits and franchise fees | 3,725 | | | | 3,725 |
| Fines, forfeitures and penalties | 4,258 | | | | 4,258 |
| Use of money and property | 3,746 | 1,835 | 31 | 12 | 5,624 |
| Intergovernmental | 34,072 | 8 | | | 34,080 |
| Charges for services | 43,508 | | | | 43,508 |
| Other revenue | 15,559 | 16,976 | | | 32,535 |
| **Total Revenues** | 231,467 | 26,108 | 31 | 12 | 257,618 |
| **Expenditures:** | | | | | |
| Current: | | | | | |
| General government | 3,219 | 4 | | | 3,223 |
| Public protection | 127,001 | | | | 127,001 |
| Health and sanitation | 11,536 | | | | 11,536 |
| Public assistance | 20,122 | 37,260 | | | 57,382 |
| Education | 19,242 | | | | 19,242 |
| Public ways and facilities | 34,939 | | | | 34,939 |
| Recreation and culture | 1,337 | | | | 1,337 |
| Debt service: | | | | | |
| Principal | 377 | 30,576 | | | 30,953 |
| Bond issuance cost | 29 | 539 | | | 568 |
| Interest | 176 | 47,058 | 1 | | 47,235 |
| **Total Expenditures** | 217,978 | 115,437 | 1 | | 333,416 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | 13,489 | (89,329) | 30 | 12 | (75,798) |
| **Other Financing Sources (Uses):** | | | | | |
| Transfers in | 938 | 49,338 | | | 50,276 |
| Transfers out | (7,988) | (1,904) | | (106) | (9,998) |
| Proceeds from the sale of real estate | 500 | | | | 500 |
| Proceeds from issuance of debt | 2,201 | 30,085 | | | 32,286 |
| Premium on debt issuance | | 21 | | | 21 |
| Discount on debt issued | (38) | | | | (38) |
| Payment to refunded bond escrow agent | | (7,259) | | | (7,259) |
| **Total Other Financing Sources (Uses)** | (4,387) | 70,281 | | (106) | 65,788 |
| **Net Change in Fund Balances** | 9,102 | (19,048) | 30 | (94) | (10,010) |
| **Fund Balances at Beginning of Year, as Previously Reported** | 199,520 | 51,850 | 3,995 | 2,004 | 257,369 |
| Adjustments to beginning fund balances | 181 | | | | 181 |
| **Fund Balances at Beginning of Year, as Restated** | 199,701 | 51,850 | 3,995 | 2,004 | 257,550 |
| **Fund Balances at End of Year** | $ 208,803 | 32,802 | 4,025 | 1,910 | 247,540 |

# SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues that are restricted by law or administrative action to expenditures for specified purposes. Nonmajor special revenue funds used by the county are listed below:

## ROAD FUNDS

These funds were established to provide for maintenance and construction of roadways. Revenues consist primarily of the county's share of state highway user taxes and are supplemented by federal funds.

## LIBRARY FUND

This fund was established to provide library services for all areas of the county except the city of Richmond. Property taxes provide most of the fund's revenues.

## FIRE PROTECTION FUNDS

These special district funds provide fire protection services to both cities and unincorporated areas in the county. They are financed primarily by property taxes.

## HEALTH AND SANITATION FUNDS

These funds provide a variety of health and sanitation services. They are financed by state grants, the county's share of the tobacco tax and user fees.

## SERVICE AREAS FUNDS

These special district funds provide services such as lighting, park, or street maintenance to specific areas in the county. They are financed by property taxes and user charges.

## FLOOD CONTROL FUNDS

These special district funds provide services to control flood and storm waters. Revenues are primarily received from property taxes and federal grants.

## LAW ENFORCEMENT FUNDS

These funds provide for a variety of law enforcement services financed by property taxes, narcotics seizures and court fines and fees.

## COURTS AND CRIMINAL JUSTICE FUNDS

These funds are used for the improvement of courthouse and criminal justice facilities and related automated information systems. Revenues are derived from court fines and fees.

## RECORDER/CLERK MODERNIZATION FUNDS

These funds provide for automation of civil and small claims functions of the courts and for micrographics and modernization of the Recorder's Office. Revenues received are from filing and recording fees.

## REDEVELOPMENT AGENCY (RDA) FUNDS

These funds are used to account for the financial resources designated for the improvement of targeted low to moderate income housing areas and the elimination of blight.

## CHILD DEVELOPMENT FUND

This fund is used to account for the financial resources designated for the county's Child Development programs.

## IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY (IHSS) FUND

This fund is used to provide services to both providers and recipients of in-home care delivered through the In-Home Supportive Services program.

## OTHER SPECIAL REVENUE FUNDS

These funds account for the activities of several non-grant Special Revenue Funds. They include Fish and Game, Survey Monuments, Victim Assistance, Sans Crainte Drainage and county Water Districts.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

COUNTY OF CONTRA COSTA
**COMBINING BALANCE SHEET**
**SPECIAL REVENUE FUNDS**
JUNE 30, 2004
(In Thousands)

| | Road | Library | Fire Protection | Health & Sanitation | Service Areas | Flood Control |
|---|---|---|---|---|---|---|
| **Assets:** | | | | | | |
| Cash and investments | $ 50,024 | 10,140 | 38,874 | 9,092 | 21,150 | 27,059 |
| Accounts receivable and accrued revenue | 6,022 | 1,126 | 3,151 | 567 | 73 | 712 |
| Due from other funds | 2,757 | 117 | 236 | 11 | 76 | 763 |
| Advances to other funds | 25 | | | | | 25 |
| Notes receivable | | | | | | |
| Prepaid items and deposits | 504 | 84 | 955 | 4 | | 20 |
| Land held for resale | | | | | | |
| **Total Assets** | $ 59,332 | 11,467 | 43,216 | 9,674 | 21,299 | 28,579 |
| **Liabilities and Fund Balances** | | | | | | |
| **Liabilities:** | | | | | | |
| Accounts payable and accrued liabilities | $ 710 | 1,203 | 6,979 | 928 | 1,276 | 352 |
| Due to other funds | 1,761 | 340 | 618 | 2,449 | 247 | 3,693 |
| Welfare program advances | | | | | 1 | |
| Advances from other funds | | | | | | |
| Deferred revenue | 2,496 | | 13 | | | |
| **Total Liabilities** | 4,967 | 1,543 | 7,610 | 3,377 | 1,524 | 4,045 |
| **Fund Balances:** | | | | | | |
| Reserved for: | | | | | | |
| Encumbrances | 595 | 1,102 | 3,188 | | | 203 |
| Advances to other funds | 25 | | | | | 25 |
| Prepaid items and deposits | 504 | 84 | 955 | 4 | | 20 |
| Land held for resale | | | | | | |
| Housing projects | | | | | | |
| Unreserved: | | | | | | |
| Designated for equipment replacement | 4,012 | 146 | | | | 310 |
| Undesignated | 49,229 | 8,592 | 31,463 | 6,293 | 19,775 | 23,976 |
| **Total Fund Balances** | 54,365 | 9,924 | 35,606 | 6,297 | 19,775 | 24,534 |
| **Total Liabilities and Fund Balances** | $ 59,332 | 11,467 | 43,216 | 9,674 | 21,299 | 28,579 |

| Law Enforcement | Courts & Criminal Justice | Recorder/ Clerk Modernization | Redevelopment Agency | Child Development | In-Home Supportive Services | Other Special Revenue | Total |
|---|---|---|---|---|---|---|---|
| 26,479 | 2,716 | 12,563 | 5,233 | 712 | 267 | 19,064 | 223,373 |
| 162 | 324 | 29 | 38 | 840 | 192 | 156 | 13,392 |
| 216 | 22 | | 198 | 1,730 | | 23 | 6,149 |
| | | | | | | 6,053 | 6,103 |
| | | | 4,432 | | | 5,931 | 10,363 |
| 23 | | 8 | | 111 | | | 1,709 |
| | | | 444 | | | | 444 |
| 26,880 | 3,062 | 12,600 | 10,345 | 3,393 | 459 | 31,227 | 261,533 |
| 165 | 38 | 70 | | 639 | 84 | 255 | 12,699 |
| 6,522 | 236 | 3 | | 1,735 | 97 | 3,713 | 21,414 |
| 2 | | | | | | | 3 |
| | | | 4,636 | | | | 4,636 |
| | 25 | | 4,432 | 870 | | 6,142 | 13,978 |
| 6,689 | 299 | 73 | 9,068 | 3,244 | 181 | 10,110 | 52,730 |
| 14 | | 8 | 322 | 5 | 14 | 94 | 5,545 |
| | | | | | | 6,043 | 6,093 |
| 23 | | 8 | | 111 | | | 1,709 |
| | | | 444 | | | | 444 |
| | | | 511 | | | | 511 |
| 87 | | | | | | | 4,555 |
| 20,067 | 2,763 | 12,511 | | 33 | 264 | 14,980 | 189,946 |
| 20,191 | 2,763 | 12,527 | 1,277 | 149 | 278 | 21,117 | 208,803 |
| 26,880 | 3,062 | 12,600 | 10,345 | 3,393 | 459 | 31,227 | 261,533 |

COUNTY OF CONTRA COSTA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**SPECIAL REVENUE FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Road | Library | Fire Protection | Health & Sanitation | Service Areas | Flood Control |
|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | |
| Taxes | $ 16,083 | 14,769 | 72,420 | 4,543 | 4,005 | 6,165 |
| Licenses, permits and franchise fees | | | 107 | | 10 | 3,600 |
| Fines, forfeitures and penalties | | | 1 | 1,657 | | |
| Use of money and property | 598 | 80 | 188 | 68 | 1,544 | 503 |
| Intergovernmental | 2,740 | 2,766 | 3,313 | 3,899 | 1,595 | 856 |
| Charges for services | 12,159 | 983 | 2,732 | 190 | 4,815 | 13,048 |
| Other revenue | 3,481 | 489 | 774 | 797 | 70 | 1,051 |
| **Total Revenues** | 35,061 | 19,087 | 79,535 | 11,154 | 12,039 | 25,223 |
| **Expenditures:** | | | | | | |
| Current: | | | | | | |
| General government | | 17 | | | | |
| Public protection | | | 78,680 | | 7,551 | 23,371 |
| Health and sanitation | | | | 11,536 | | |
| Public assistance | | | | | | |
| Education | | 18,893 | | | 349 | |
| Public ways and facilities | 34,295 | | | | 643 | 1 |
| Recreation and culture | | | | | 990 | |
| Debt service: | | | | | | |
| Principal | | | 369 | | | |
| Interest | | | | | | |
| Bond issuance cost | | | | | | |
| **Total Expenditures** | 34,295 | 18,910 | 79,049 | 11,536 | 9,533 | 23,372 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | 766 | 177 | 486 | (382) | 2,506 | 1,851 |
| **Other Financing Sources (Uses):** | | | | | | |
| Transfers in | 595 | 185 | | | 25 | |
| Transfers out | | (408) | | (8) | | (102) |
| Proceeds from the sale of real estate | 500 | | | | | |
| Proceeds from issuance of debt | | | | | | |
| Discount on debt issued | | | | | | |
| **Total Other Financing Sources (Uses)** | 1,095 | (223) | | (8) | 25 | (102) |
| **Net Change in Fund Balances** | 1,861 | (46) | 486 | (390) | 2,531 | 1,749 |
| **Fund Balances at Beginning of Year, as Previously Reported** | 52,504 | 9,970 | 35,120 | 6,687 | 17,244 | 22,647 |
| Adjustments to beginning fund balance | | | | | | 138 |
| **Fund Balances at Beginning of Year, as Restated** | 52,504 | 9,970 | 35,120 | 6,687 | 17,244 | 22,785 |
| **Fund Balances at End of Year** | $ 54,365 | 9,924 | 35,606 | 6,297 | 19,775 | 24,534 |

| Law Enforcement | Courts & Criminal Justice | Recorder/ Clerk Modernization | Redevelopment Agency | Child Development | In-Home Supportive Services | Other Special Revenue | Total |
|---|---|---|---|---|---|---|---|
| 5,186 | | | 2,226 | | | 1,202 | 126,599 |
| | | | | | | 8 | 3,725 |
| 396 | 2,190 | | | | | 14 | 4,258 |
| 242 | 25 | | 32 | 11 | | 455 | 3,746 |
| 7,380 | 522 | | | 8,258 | 1,005 | 1,738 | 34,072 |
| 1,698 | | 4,184 | | | | 3,699 | 43,508 |
| 414 | | | | 6,559 | 38 | 1,886 | 15,559 |
| 15,316 | 2,737 | 4,184 | 2,258 | 14,828 | 1,043 | 9,002 | 231,467 |
| 448 | | | | | | 2,754 | 3,219 |
| 12,006 | 100 | 1,851 | | | | 3,442 | 127,001 |
| | | | | | | | 11,536 |
| | | | 2,487 | 14,363 | 1,307 | 1,965 | 20,122 |
| | | | | | | | 19,242 |
| | | | | | | | 34,939 |
| 347 | | | | | | | 1,337 |
| | | 8 | | | | | 377 |
| 3 | | 1 | 79 | | | 93 | 176 |
| | | | 29 | | | | 29 |
| 12,804 | 100 | 1,860 | 2,595 | 14,363 | 1,307 | 8,254 | 217,978 |
| 2,512 | 2,637 | 2,324 | (337) | 465 | (264) | 748 | 13,489 |
| 133 | | | | | | | 938 |
| (3,786) | (2,004) | (20) | (714) | (237) | | (709) | (7,988) |
| | | | | | | | 500 |
| | | | 2,201 | | | | 2,201 |
| | | | (38) | | | | (38) |
| (3,653) | (2,004) | (20) | 1,449 | (237) | | (709) | (4,387) |
| (1,141) | 633 | 2,304 | 1,112 | 228 | (264) | 39 | 9,102 |
| 21,332 | 2,130 | 10,223 | 165 | (79) | 542 | 21,035 | 199,520 |
| | | | | | | 43 | 181 |
| 21,332 | 2,130 | 10,223 | 165 | (79) | 542 | 21,078 | 199,701 |
| 20,191 | 2,763 | 12,527 | 1,277 | 149 | 278 | 21,117 | 208,803 |

COUNTY OF CONTRA COSTA
**BUDGETARY COMPARISON SCHEDULE**
**ROAD SPECIAL REVENUE FUNDS**
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Taxes | $ | 16,083 | 16,083 | |
| Use of money and property | 680 | 680 | 598 | (82) |
| Intergovernmental | 24,770 | 5,324 | 2,740 | (2,584) |
| Charges for services | 8,308 | 10,103 | 12,159 | 2,056 |
| Other revenue | 2,780 | 3,450 | 3,481 | 31 |
| **Total Revenues** | 36,538 | 35,640 | 35,061 | (579) |
| **Expenditures:** | | | | |
| Public Ways and Facilities | | | | |
| Services and supplies | 25,090 | 22,540 | 11,017 | 11,523 |
| Other charges | 9,365 | 9,169 | 6,454 | 2,715 |
| Fixed assets | 217 | 513 | 435 | 78 |
| Expenditure transfers | 14,335 | 17,042 | 16,389 | 653 |
| Reserves | 177 | 166 | | 166 |
| **Total Expenditures** | 49,184 | 49,430 | 34,295 | 15,135 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (12,646) | (13,790) | 766 | 14,556 |
| **Other Financing Sources (Uses) :** | | | | |
| Transfers in | 525 | 1,019 | 595 | (424) |
| Transfers out | (486) | (486) | | 486 |
| Proceeds from the sale of real estate | 500 | 500 | 500 | |
| **Total Other Financing Sources (Uses)** | 539 | 1,033 | 1,095 | 62 |
| **Net Change in Fund Balance** | (12,107) | (12,757) | 1,861 | 14,618 |
| **Fund Balance at Beginning of Year** | 52,504 | 52,504 | 52,504 | |
| **Fund Balance at End of Year** | $ 40,397 | 39,747 | 54,365 | 14,618 |

COUNTY OF CONTRA COSTA

**BUDGETARY COMPARISON SCHEDULE**

**LIBRARY SPECIAL REVENUE FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Taxes | $ 13,929 | 13,929 | 14,769 | 840 |
| Use of money and property | 41 | 41 | 80 | 39 |
| Intergovernmental | 2,702 | 2,702 | 2,766 | 64 |
| Charges for services | 907 | 907 | 983 | 76 |
| Other revenue | 693 | 1,039 | 489 | (550) |
| **Total Revenues** | 18,272 | 18,618 | 19,087 | 469 |
| **Expenditures:** | | | | |
| General Government | | | | |
| Fixed assets | 1,623 | 1,623 | 17 | 1,606 |
| Total General Government | 1,623 | 1,623 | 17 | 1,606 |
| Education | | | | |
| Salaries and benefits | 13,262 | 13,440 | 13,269 | 171 |
| Services and supplies | 4,241 | 4,868 | 3,309 | 1,559 |
| Other charges | 2,034 | 2,459 | 2,240 | 219 |
| Fixed assets | 1,258 | 374 | 75 | 299 |
| Total Education | 20,795 | 21,141 | 18,893 | 2,248 |
| **Total Expenditures** | 22,418 | 22,764 | 18,910 | 3,854 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (4,146) | (4,146) | 177 | 4,323 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers in | 574 | 574 | 185 | (389) |
| Transfers out | (408) | (408) | (408) | |
| **Total Other Financing Sources (Uses)** | 166 | 166 | (223) | (389) |
| **Net Change in Fund Balance** | (3,980) | (3,980) | (46) | 3,934 |
| **Fund Balance at Beginning of Year** | 9,970 | 9,970 | 9,970 | |
| **Fund Balance at End of Year** | $ 5,990 | 5,990 | 9,924 | 3,934 |

COUNTY OF CONTRA COSTA
**BUDGETARY COMPARISON SCHEDULE**
**FIRE PROTECTION SPECIAL REVENUE FUNDS**
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Taxes | $ 73,119 | 73,119 | 72,420 | (699) |
| Licenses, permits, and franchise fees | 145 | 145 | 107 | (38) |
| Fines, forfeitures and penalties | | | 1 | 1 |
| Use of money and property | 214 | 214 | 188 | (26) |
| Intergovernmental | 1,171 | 1,171 | 3,313 | 2,142 |
| Charges for services | 2,954 | 3,126 | 2,732 | (394) |
| Other revenue | 1,733 | 1,734 | 774 | (960) |
| **Total Revenues** | 79,336 | 79,509 | 79,535 | 26 |
| **Expenditures:** | | | | |
| Current: | | | | |
| Public Protection | | | | |
| Salaries and benefits | 70,812 | 70,480 | 65,436 | 5,044 |
| Services and supplies | 12,241 | 11,000 | 6,831 | 4,169 |
| Other charges | 3,706 | 3,990 | 3,062 | 928 |
| Fixed assets | 14,181 | 15,642 | 3,351 | 12,291 |
| Total Public Protection | 100,940 | 101,112 | 78,680 | 22,432 |
| Debt service: | | | | |
| Principal | 369 | 369 | 369 | |
| **Total Expenditures** | 101,309 | 101,481 | 79,049 | 22,432 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (21,973) | (21,972) | 486 | 22,458 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers in | 178 | 178 | | (178) |
| Transfers out | (206) | (206) | | 206 |
| **Total Other Financing Sources (Uses)** | (28) | (28) | | 28 |
| **Net Change in Fund Balance** | (22,001) | (22,000) | 486 | 22,486 |
| **Fund Balance at Beginning of the Year** | 35,120 | 35,120 | 35,120 | |
| **Fund Balance at End of Year** | $ 13,119 | 13,120 | 35,606 | 22,486 |

COUNTY OF CONTRA COSTA

**BUDGETARY COMPARISON SCHEDULE**

**HEALTH AND SANITATION SPECIAL REVENUE FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Taxes | $ 4,306 | 4,306 | 4,543 | 237 |
| Fines, forfeitures and penalties | 1,305 | 1,657 | 1,657 | |
| Use of money and property | 1,651 | 2 | 68 | 66 |
| Intergovernmental | 3,758 | 4,743 | 3,899 | (844) |
| Charges for services | 165 | 190 | 190 | |
| Other revenue | | 797 | 797 | |
| **Total Revenues** | 11,185 | 11,695 | 11,154 | (541) |
| **Expenditures:** | | | | |
| Current: | | | | |
| Health and Sanitation | | | | |
| Salaries and benefits | 393 | 393 | 257 | 136 |
| Services and supplies | 12,939 | 12,837 | 7,064 | 5,773 |
| Other charges | 924 | 1,296 | 1,268 | 28 |
| Fixed assets | 25 | 25 | | 25 |
| Expenditure transfers | 3,500 | 3,750 | 2,947 | 803 |
| Reserves | (12) | | | |
| Total Health and Sanitation | 17,769 | 18,301 | 11,536 | 6,765 |
| Debt service: | | | | |
| Principal | 60 | 60 | | 60 |
| Interest | 10 | 10 | | 10 |
| **Total Expenditures** | 17,839 | 18,371 | 11,536 | 6,835 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (6,654) | (6,676) | (382) | 6,294 |
| **Other Financing Uses:** | | | | |
| Transfers out | (8) | (8) | (8) | |
| **Total Other Financing Uses** | (8) | (8) | (8) | |
| **Net Change in Fund Balance** | (6,662) | (6,684) | (390) | 6,294 |
| **Fund Balance at Beginning of Year** | 6,687 | 6,687 | 6,687 | |
| **Fund Balance at End of Year** | $ 25 | 3 | 6,297 | 6,294 |

COUNTY OF CONTRA COSTA
**BUDGETARY COMPARISON SCHEDULE**
**SERVICE AREAS SPECIAL REVENUE FUNDS**
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Taxes | $ 3,381 | 3,390 | 4,005 | 615 |
| Licenses, permits and franchise fees | 15 | 15 | 10 | (5) |
| Use of money and property | 449 | 451 | 1,544 | 1,093 |
| Intergovernmental | 1,300 | 1,300 | 1,595 | 295 |
| Charges for services | 3,234 | 3,234 | 4,815 | 1,581 |
| Other revenue | 10 | 14 | 70 | 56 |
| **Total Revenues** | 8,389 | 8,404 | 12,039 | 3,635 |
| **Expenditures:** | | | | |
| Current: | | | | |
| Public Protection | | | | |
| Services and supplies | 10,386 | 10,618 | 4,865 | 5,753 |
| Other charges | 1,658 | 1,680 | 2,129 | (449) |
| Fixed assets | 3,726 | 3,407 | 52 | 3,355 |
| Expenditure transfers | 403 | 468 | 505 | (37) |
| Reserves | 154 | 154 | | 154 |
| Total Public Protection | 16,327 | 16,327 | 7,551 | 8,776 |
| Education | | | | |
| Services and supplies | 212 | 2 | | 2 |
| Other charges | | 271 | 349 | (78) |
| Total Education | 212 | 273 | 349 | (76) |
| Public Ways and Facilities | | | | |
| Services and supplies | 3,621 | 3,548 | 265 | 3,283 |
| Other charges | 90 | 340 | 309 | 31 |
| Fixed assets | 841 | 841 | 46 | 795 |
| Expenditure transfers | 211 | 33 | 23 | 10 |
| Total Public Ways and Facilities | 4,763 | 4,762 | 643 | 4,119 |

(continued)

COUNTY OF CONTRA COSTA
**BUDGETARY COMPARISON SCHEDULE**
**SERVICE AREAS SPECIAL REVENUE FUNDS**
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Recreation and Culture | | | | |
| Salaries and benefits | 2 | 3 | 2 | 1 |
| Services and supplies | 171 | 528 | 489 | 39 |
| Other charges | 211 | 212 | 192 | 20 |
| Fixed assets | 2,701 | 2,281 | 183 | 2,098 |
| Expenditure transfers | 62 | 130 | 124 | 6 |
| Total Recreation and Culture | 3,147 | 3,154 | 990 | 2,164 |
| **Total Expenditures** | 24,449 | 24,516 | 9,533 | 14,983 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (16,060) | (16,112) | 2,506 | 18,618 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers in | 25 | 25 | 25 | |
| Transfers out | (130) | (78) | | 78 |
| **Total Other Financing Sources (Uses)** | (105) | (53) | 25 | 78 |
| **Net Change in Fund Balance** | (16,165) | (16,165) | 2,531 | 18,696 |
| **Fund Balance at Beginning of Year** | 17,244 | 17,244 | 17,244 | |
| **Fund Balance at End of Year** | $ 1,079 | 1,079 | 19,775 | 18,696 |

(concluded)

COUNTY OF CONTRA COSTA
**BUDGETARY COMPARISON SCHEDULE**
**FLOOD CONTROL SPECIAL REVENUE FUNDS**
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Taxes | $ 5,298 | 5,749 | 6,165 | 416 |
| Licenses, permits and franchise fees | 2,883 | 2,903 | 3,600 | 697 |
| Use of money and property | 123 | 152 | 503 | 351 |
| Intergovernmental | 70 | 409 | 856 | 447 |
| Charges for services | 11,976 | 12,942 | 13,048 | 106 |
| Other revenue | 690 | 850 | 1,051 | 201 |
| **Total Revenues** | 21,040 | 23,005 | 25,223 | 2,218 |
| **Expenditures:** | | | | |
| Current: | | | | |
| Public Protection | | | | |
| Salaries and benefits | 2 | 2 | 2 | |
| Services and supplies | 21,403 | 20,425 | 12,993 | 7,432 |
| Other charges | 9,274 | 8,429 | 1,271 | 7,158 |
| Fixed assets | 278 | 217 | 214 | 3 |
| Expenditure transfers | 4,706 | 8,557 | 8,891 | (334) |
| Reserves | 1,914 | 1,889 | | 1,889 |
| Total Public Protection | 37,577 | 39,519 | 23,371 | 16,148 |
| Public Ways and Facilities | | | | |
| Services and supplies | 4,214 | 4,214 | | 4,214 |
| Other charges | 2 | 2 | 1 | 1 |
| Total Public Ways and Facilities | 4,216 | 4,216 | 1 | 4,215 |
| Debt service: | | | | |
| Principal | 73 | 94 | | 94 |
| Interest | | 24 | | 24 |
| **Total Expenditures** | 41,866 | 43,853 | 23,372 | 20,481 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (20,826) | (20,848) | 1,851 | 22,699 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers in | 200 | 200 | | (200) |
| Transfers out | (1,968) | (1,945) | (102) | 1,843 |
| **Total Other Financing Sources (Uses)** | (1,768) | (1,745) | (102) | 1,643 |
| **Net Change in Fund Balance** | (22,594) | (22,593) | 1,749 | 24,342 |
| **Fund Balance at Beginning of Year, as Previously Reported** | 22,647 | 22,647 | 22,647 | |
| Adjustments to beginning fund balance | | | 138 | 138 |
| **Fund Balance at Beginning of Year, as Restated** | 22,647 | 22,647 | 22,785 | 138 |
| **Fund Balance at End of Year** | $ 53 | 54 | 24,534 | 24,480 |

COUNTY OF CONTRA COSTA
**BUDGETARY COMPARISON SCHEDULE**
**LAW ENFORCEMENT SPECIAL REVENUE FUNDS**
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Taxes | $ 4,809 | 4,845 | 5,186 | 341 |
| Fines, forfeitures and penalties | 396 | 396 | 396 | |
| Use of money and property | 184 | 196 | 242 | 46 |
| Intergovernmental | 7,671 | 7,805 | 7,380 | (425) |
| Charges for services | 547 | 612 | 1,698 | 1,086 |
| Other revenue | 357 | 357 | 414 | 57 |
| **Total Revenues** | 13,964 | 14,211 | 15,316 | 1,105 |
| **Expenditures:** | | | | |
| General Government | | | | |
| Services and supplies | 4,503 | 3,972 | | 3,972 |
| Other charges | | 1 | | 1 |
| Expenditure transfers | | 449 | 448 | 1 |
| Total General Government | 4,503 | 4,422 | 448 | 3,974 |
| Public Protection | | | | |
| Salaries and benefits | 1,547 | 1,625 | 1,400 | 225 |
| Services and supplies | 10,030 | 9,412 | 3,980 | 5,432 |
| Other charges | 3,147 | 3,366 | 2,961 | 405 |
| Fixed assets | 72 | 116 | 22 | 94 |
| Expenditure transfers | 8,917 | 9,243 | 3,643 | 5,600 |
| Total Public Protection | 23,713 | 23,762 | 12,006 | 11,756 |
| Recreation and Culture | | | | |
| Salaries and benefits | 6 | 6 | 6 | |
| Services and supplies | 362 | 179 | 136 | 43 |
| Other charges | 20 | 20 | 16 | 4 |
| Fixed assets | 5 | 185 | 179 | 6 |
| Expenditure transfers | 6 | 10 | 10 | |
| Total Recreation and Culture | 399 | 400 | 347 | 53 |
| Debt service: | | | | |
| Interest | | | 3 | (3) |
| **Total Expenditures** | 28,615 | 28,584 | 12,804 | 15,780 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (14,651) | (14,373) | 2,512 | 16,885 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers in | 572 | 490 | 133 | (357) |
| Transfers out | (3,841) | (4,055) | (3,786) | 269 |
| **Total Other Financing Sources (Uses)** | (3,269) | (3,565) | (3,653) | (88) |
| **Net Change in Fund Balance** | (17,920) | (17,938) | (1,141) | 16,797 |
| **Fund Balance at Beginning of Year** | 21,332 | 21,332 | 21,332 | |
| **Fund Balance at End of Year** | $ 3,412 | 3,394 | 20,191 | 16,797 |

COUNTY OF CONTRA COSTA

**BUDGETARY COMPARISON SCHEDULE**

**COURTS AND CRIMINAL JUSTICE SPECIAL REVENUE FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Fines, forfeitures and penalties | $ 2,003 | 2,003 | 2,190 | 187 |
| Use of money and property | | | 25 | 25 |
| Intergovernmental | | 421 | 522 | 101 |
| **Total Revenues** | 2,003 | 2,424 | 2,737 | 313 |
| **Expenditures:** | | | | |
| General Government | | | | |
| Services and supplies | 743 | 324 | | 324 |
| Other charges | 1,164 | 2,004 | | 2,004 |
| Total General Government | 1,907 | 2,328 | | 2,328 |
| Public Protection | | | | |
| Services and supplies | 222 | 221 | 99 | 122 |
| Other charges | | 1 | 1 | |
| Total Public Protection | 222 | 222 | 100 | 122 |
| **Total Expenditures** | 2,129 | 2,550 | 100 | 2,450 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (126) | (126) | 2,637 | 2,763 |
| **Other Financing Uses:** | | | | |
| Transfers out | (2,004) | (2,004) | (2,004) | |
| **Total Other Financing Uses** | (2,004) | (2,004) | (2,004) | |
| **Net Change in Fund Balance** | (2,130) | (2,130) | 633 | 2,763 |
| **Fund Balance at Beginning of Year** | 2,130 | 2,130 | 2,130 | |
| **Fund Balance at End of Year** | $ | | 2,763 | 2,763 |

COUNTY OF CONTRA COSTA

**BUDGETARY COMPARISON SCHEDULE**

**RECORDER/CLERK MODERNIZATION SPECIAL REVENUE FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Charges for services | $ 2,353 | 2,353 | 4,184 | 1,831 |
| **Total Revenues** | 2,353 | 2,353 | 4,184 | 1,831 |
| **Expenditures:** | | | | |
| Current: | | | | |
| Public Protection | | | | |
| Salaries and benefits | 825 | 825 | 632 | 193 |
| Services and supplies | 9,498 | 9,445 | 904 | 8,541 |
| Other charges | 17 | 67 | 59 | 8 |
| Fixed assets | 2,197 | 2,197 | 256 | 1,941 |
| Total Public Protection | 12,537 | 12,534 | 1,851 | 10,683 |
| Debt Service: | | | | |
| Principal | | 2 | 8 | (6) |
| Interest | | | 1 | (1) |
| **Total Expenditures** | 12,537 | 12,536 | 1,860 | 10,676 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (10,184) | (10,183) | 2,324 | 12,507 |
| **Other Financing Uses:** | | | | |
| Transfers out | (20) | (20) | (20) | |
| **Total Other Financing Uses** | (20) | (20) | (20) | |
| **Net Change in Fund Balance** | (10,204) | (10,203) | 2,304 | 12,507 |
| **Fund Balance at Beginning of Year** | 10,223 | 10,223 | 10,223 | |
| **Fund Balance at End of Year** | $ 19 | 20 | 12,527 | 12,507 |

COUNTY OF CONTRA COSTA

**BUDGETARY COMPARISON SCHEDULE**

**REDEVELOPMENT AGENCY SPECIAL REVENUE FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Taxes | $ 1,384 | 1,367 | 2,226 | 859 |
| Use of money and property | 73 | 73 | 32 | (41) |
| Charges for services | 1,830 | 1,830 | | (1,830) |
| **Total Revenues** | 3,287 | 3,270 | 2,258 | (1,012) |
| **Expenditures:** | | | | |
| Current: | | | | |
| Public Assistance | | | | |
| Services and supplies | 4,534 | 6,779 | 20 | 6,759 |
| Other charges | 4,124 | 1,798 | 2,467 | (669) |
| Fixed assets | 482 | 482 | | 482 |
| Total Public Assistance | 9,140 | 9,059 | 2,487 | 6,572 |
| Debt service: | | | | |
| Principal | | | | |
| Interest | | 64 | 79 | (15) |
| Bond issuance cost | | | 29 | (29) |
| **Total Expenditures** | 9,140 | 9,123 | 2,595 | 6,528 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (5,853) | (5,853) | (337) | 5,516 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers out | (164) | (164) | (714) | (550) |
| Proceeds from issuance of debt | 2,589 | 2,589 | 2,201 | (388) |
| Discount on debt issued | | | (38) | (38) |
| **Total Other Financing Sources (Uses)** | 2,425 | 2,425 | 1,449 | (976) |
| **Net Change in Fund Balance** | (3,428) | (3,428) | 1,112 | 4,540 |
| **Fund Balance at Beginning of Year** | 165 | 165 | 165 | |
| **Fund Balance at End of Year** | $ (3,263) | (3,263) | 1,277 | 4,540 |

COUNTY OF CONTRA COSTA

**BUDGETARY COMPARISON SCHEDULE**

**CHILD DEVELOPMENT SPECIAL REVENUE FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Use of money and property | $ | | 11 | 11 |
| Intergovernmental | 8,099 | 8,349 | 8,258 | (91) |
| Other revenue | 6,004 | 6,391 | 6,559 | 168 |
| **Total Revenues** | 14,103 | 14,740 | 14,828 | 88 |
| **Expenditures:** | | | | |
| Public Assistance | | | | |
| Salaries and benefits | 7,278 | 7,658 | 7,658 | |
| Services and supplies | 1,299 | 821 | 769 | 52 |
| Other charges | 529 | 606 | 606 | |
| Expenditure transfers | 4,673 | 5,331 | 5,330 | 1 |
| **Total Expenditures** | 13,779 | 14,416 | 14,363 | 53 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | 324 | 324 | 465 | 141 |
| **Other Financing Uses:** | | | | |
| Transfers out | (237) | (237) | (237) | |
| **Total Other Financing Uses** | (237) | (237) | (237) | |
| **Net Change in Fund Balance** | 87 | 87 | 228 | 141 |
| **Fund Balance at Beginning of Year** | (79) | (79) | (79) | |
| **Fund Balance at End of Year** | $ 8 | 8 | 149 | 141 |

COUNTY OF CONTRA COSTA

**BUDGETARY COMPARISON SCHEDULE**

**IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY SPECIAL REVENUE FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Use of money and property | | | | |
| Intergovernmental | $ 5,725 | 1,210 | 1,005 | (205) |
| Other revenue | 1,294 | 33 | 38 | 5 |
| **Total Revenues** | 7,019 | 1,243 | 1,043 | (200) |
| **Expenditures:** | | | | |
| Current: | | | | |
| Public Assistance | | | | |
| Salaries and benefits | 768 | 948 | 828 | 120 |
| Services and supplies | 6,449 | 472 | 311 | 161 |
| Other charges | 336 | 357 | 168 | 189 |
| **Total Expenditures** | 7,553 | 1,777 | 1,307 | 470 |
| **Net Change in Fund Balance** | (534) | (534) | (264) | 270 |
| **Fund Balance at Beginning of Year** | 542 | 542 | 542 | |
| **Fund Balance at End of Year** | $ 8 | 8 | 278 | 270 |

COUNTY OF CONTRA COSTA

**BUDGETARY COMPARISON SCHEDULE**

**OTHER SPECIAL REVENUE FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Taxes | $ 1,143 | 1,143 | 1,202 | 59 |
| Licenses, permits and franchise fees | 106 | 106 | 8 | (98) |
| Fines, forfeitures and penalties | 10 | 10 | 14 | 4 |
| Use of money and property | 1,502 | 1,502 | 455 | (1,047) |
| Intergovernmental | 988 | 718 | 1,738 | 1,020 |
| Charges for services | 3,487 | 3,999 | 3,699 | (300) |
| Other revenue | 1,303 | 1,303 | 1,886 | 583 |
| **Total Revenues** | 8,539 | 8,781 | 9,002 | 221 |
| **Expenditures:** | | | | |
| Current: | | | | |
| General Government | | | | |
| Services and supplies | 4,566 | 1,841 | | 1,841 |
| Other charges | 1 | 2,726 | 2,722 | 4 |
| Expenditure transfers | 75 | 75 | 32 | 43 |
| Total General Government | 4,642 | 4,642 | 2,754 | 1,888 |
| Public Protection | | | | |
| Salaries and benefits | | 262 | 262 | |
| Services and supplies | 4,533 | 4,255 | 2,215 | 2,040 |
| Other charges | 1 | 99 | 91 | 8 |
| Fixed assets | | 19 | 19 | |
| Expenditure transfers | 514 | 979 | 855 | 124 |
| Total Public Protection | 5,048 | 5,614 | 3,442 | 2,172 |
| Public Assistance | | | | |
| Salaries and benefits | | 8 | 7 | 1 |
| Services and supplies | 7,382 | 6,733 | 1,348 | 5,385 |
| Other charges | 187 | 245 | 232 | 13 |
| Expenditure transfers | 100 | 378 | 378 | |
| Total Public Assistance | 7,669 | 7,364 | 1,965 | 5,399 |
| Debt service: | | | | |
| Interest | 800 | 800 | 93 | 707 |
| **Total Expenditures** | 18,159 | 18,420 | 8,254 | 10,166 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (9,620) | (9,639) | 748 | 10,387 |
| **Other Financing Uses:** | | | | |
| Transfers in | (3) | (3) | | 3 |
| Transfers out | (2,030) | (2,030) | (709) | 1,321 |
| **Total Other Financing Uses** | (2,033) | (2,033) | (709) | 1,324 |
| **Net Change in Fund Balance** | (11,653) | (11,672) | 39 | 11,711 |
| **Fund Balance at Beginning of Year, as Previously Reported** | 21,035 | 21,035 | 21,035 | |
| Adjustments to beginning fund balance | | | 43 | 43 |
| **Fund Balance at Beginning of Year, as Restated** | 21,035 | 21,035 | 21,078 | 43 |
| **Fund Balance at End of Year** | $ 9,382 | 9,363 | 21,117 | 11,754 |

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

# DEBT SERVICE FUNDS

Debt Service Funds are used to account for accumulation of resources for, and payment of, principal and interest on the county's general long-term debt.

### RECREATION AND PARK BONDS FUND

This fund is used to accumulate monies for payment of recreation and park bonds. Financing is provided by specific property tax levies.

### STORM DRAINAGE BONDS FUND

This fund is used to accumulate monies for payment of storm drainage bonds. Financing is provided by specific property tax levies.

### PUBLIC FINANCING AUTHORITY FUNDS

These funds are used to accumulate monies for payment of general long-term debt incurred for the various financing activities of the County of Contra Costa Public Financing Authority.

### RETIREMENT LITIGATION SETTLEMENT FUND

This fund is used to accumulate monies for payment of the additional retirement benefits for retirees from the settlement of Vernon D. Paulson, et. al. vs. Board of Retirement of the Contra Costa Employees' Retirement Association, et al. The county has entered into an agreement with CCCERA to pay the liability for its share of the additional costs over a twenty year period.

### REDEVELOPMENT AGENCY (RDA) FUNDS

These funds are used to accumulate monies for payment of general long-term debt incurred for the purchase of real property within the area of the Redevelopment Agency.

### PENSION BOND FUND

This fund is used to accumulate monies for payment of taxable pension obligation bonds. These bonds were issued to reduce or extinguish the county's unfunded actuarial accrued liability (UAAL).

### ASSESSMENT DISTRICTS FUNDS

These funds were established to account for the accumulation of monies for payment of Assessment District debt issued to fund Assessment District capital improvement projects.

.

COUNTY OF CONTRA COSTA
**COMBINING BALANCE SHEET**
**DEBT SERVICE FUNDS**
JUNE 30, 2004
(In Thousands)

| | Recreation and Park Bonds | Storm Drainage Bonds | Public Financing Authority |
|---|---|---|---|
| **Assets:** | | | |
| Cash and investments | $ 13 | 1 | 24,338 |
| Accounts receivable and accrued revenue | 7 | | |
| Due from other funds | | | |
| **Total Assets** | 20 | 1 | 24,338 |
| **Liabilities and Fund Balances:** | | | |
| **Liabilities:** | | | |
| Accounts payable and accrued liabilities | | | 4,504 |
| Due to other funds | | | |
| Advance from other funds | | | |
| **Total Liabilities** | | | 4,504 |
| **Fund Balances:** | | | |
| Reserved for: | | | |
| Debt service | 20 | 1 | 7,875 |
| Unreserved, designated for: | | | |
| Future projects | | | 11,959 |
| Undesignated | | | |
| **Total Fund Balances** | 20 | 1 | 19,834 |
| **Total Liabilities and Fund Balances** | $ 20 | 1 | 24,338 |

| Retirement Litigation Settlement | Redevelopment Agency | Pension Bond | Assessment Districts | Total |
|---|---|---|---|---|
| 1,101 | 12,744 | | 5,367 | 43,564 |
| | 102 | 2,583 | 1 | 2,693 |
| 157 | | | | 157 |
| 1,258 | 12,846 | 2,583 | 5,368 | 46,414 |
| | | 3 | 289 | 4,796 |
| 1,258 | | 7,464 | | 8,722 |
| | 94 | | | 94 |
| 1,258 | 94 | 7,467 | 289 | 13,612 |
| | 12,752 | | 5,079 | 25,727 |
| | | | | 11,959 |
| | | (4,884) | | (4,884) |
| | 12,752 | (4,884) | 5,079 | 32,802 |
| 1,258 | 12,846 | 2,583 | 5,368 | 46,414 |

COUNTY OF CONTRA COSTA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**DEBT SERVICE FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Recreation and Park Bonds | Storm Drainage Bonds | Public Financing Authority |
|---|---|---|---|
| **Revenues:** | | | |
| Taxes | $ 516 | 6 | |
| Use of money and property | | | 739 |
| Intergovernmental | 8 | | |
| Other revenue | | | 15,952 |
| **Total Revenues** | 524 | 6 | 16,691 |
| **Expenditures:** | | | |
| Current: | | | |
| General Government | | | |
| Public Assistance | 2 | | 37,227 |
| Capital outlay | | | |
| Debt service: | | | |
| Principal | 490 | 5 | 8,405 |
| Bond issuance cost | | | 539 |
| Interest | 38 | | 8,384 |
| **Total Expenditures** | 530 | 5 | 54,555 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (6) | 1 | (37,864) |
| **Other Financing Sources (Uses):** | | | |
| Transfers in | | | 16,089 |
| Transfers out | | | (1,101) |
| Proceeds from issuance of debt | | | 18,500 |
| Premium on debt issuance | | | 21 |
| Payment to refunded bond escrow agent | | | |
| **Total Other Financing Sources (Uses)** | | | 33,509 |
| **Net Change in Fund Balances** | (6) | 1 | (4,355) |
| **Fund Balances at Beginning of Year** | 26 | | 24,189 |
| **Fund Balances at End of Year** | $ 20 | 1 | 19,834 |

| Retirement Litigation Settlement | Redevelopment Agency | Pension Bond | Assessment Districts | Total |
|---|---|---|---|---|
| | 3,433 | | 3,334 | 7,289 |
| | 253 | 827 | 16 | 1,835 |
| | | | | 8 |
| 47 | | 977 | | 16,976 |
| 47 | 3,686 | 1,804 | 3,350 | 26,108 |
| | | 4 | | 4 |
| | | | 31 | 37,260 |
| 1,258 | 850 | 18,000 | 1,568 | 30,576 |
| | | | | 539 |
| | 2,197 | 35,463 | 976 | 47,058 |
| 1,258 | 3,047 | 53,467 | 2,575 | 115,437 |
| (1,211) | 639 | (51,663) | 775 | (89,329) |
| 1,211 | 1,679 | 30,359 | | 49,338 |
| | | | (803) | (1,904) |
| | 11,585 | | | 30,085 |
| | | | | 21 |
| | (7,259) | | | (7,259) |
| 1,211 | 6,005 | 30,359 | (803) | 70,281 |
| | 6,644 | (21,304) | (28) | (19,048) |
| | 6,108 | 16,420 | 5,107 | 51,850 |
| | 12,752 | (4,884) | 5,079 | 32,802 |

COUNTY OF CONTRA COSTA

**BUDGETARY COMPARISON SCHEDULE**

**RECREATION AND PARK BONDS DEBT SERVICE FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Taxes | $ 529 | 529 | 516 | (13) |
| Intergovernmental | 5 | 5 | 8 | 3 |
| **Total Revenues** | 534 | 534 | 524 | (10) |
| **Expenditures:** | | | | |
| Current: | | | | |
| Public Assistance | 16 | 16 | 2 | 14 |
| Debt service: | | | | |
| Principal | 420 | 420 | 490 | (70) |
| Interest | 124 | 124 | 38 | 86 |
| **Total Expenditures** | 560 | 560 | 530 | 30 |
| **Net Change in Fund Balance** | (26) | (26) | (6) | 20 |
| **Fund Balance at Beginning of Year** | 26 | 26 | 26 | |
| **Fund Balance at End of Year** | $ | | 20 | 20 |

COUNTY OF CONTRA COSTA

**BUDGETARY COMPARISON SCHEDULE**

**STORM DRAINAGE BONDS DEBT SERVICE FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| **Revenues:** | | | | |
| Taxes | $ 5 | 5 | 6 | 1 |
| **Expenditures:** | | | | |
| Debt service: | | | | |
| Principal | 5 | 5 | 5 | |
| Interest | 1 | 1 | | 1 |
| **Total Expenditures** | 6 | 6 | 5 | 1 |
| **Net Change in Fund Balance** | (1) | (1) | 1 | 2 |
| **Fund Balance at Beginning of Year** | | | | |
| **Fund Balance at End of Year** | $ (1) | (1) | 1 | 2 |

COUNTY OF CONTRA COSTA

**BUDGETARY COMPARISON SCHEDULE**

**RETIREMENT LITIGATION SETTLEMENT DEBT SERVICE FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Other revenue | $ 47 | 47 | 47 | |
| **Total Revenues** | 47 | 47 | 47 | |
| **Expenditures:** | | | | |
| Debt service: | | | | |
| Principal | | 1,258 | 1,258 | |
| **Total Expenditures** | | 1,258 | 1,258 | |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | 47 | (1,211) | (1,211) | |
| **Other Financing Sources:** | | | | |
| Transfers in | (47) | 1,211 | 1,211 | |
| **Total Other Financing Sources** | (47) | 1,211 | 1,211 | |
| **Net Change in Fund Balance** | | | | |
| **Fund Balance at Beginning of Year** | | | | |
| **Fund Balance at End of Year** | $ | | | |

COUNTY OF CONTRA COSTA

**BUDGETARY COMPARISON SCHEDULE**

**REDEVELOPMENT AGENCY DEBT SERVICE FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Taxes | $ 1,664 | 1,625 | 3,433 | 1,808 |
| Use of money and property | | | 253 | 253 |
| Charges for services | | | | |
| **Total Revenues** | 1,664 | 1,625 | 3,686 | 2,061 |
| **Expenditures:** | | | | |
| Debt service: | | | | |
| Principal | 855 | 855 | 850 | 5 |
| Interest | 3,620 | 4,322 | 2,197 | 2,125 |
| **Total Expenditures** | 4,475 | 5,177 | 3,047 | 2,130 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (2,811) | (3,552) | 639 | 4,191 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers in | | | 1,679 | 1,679 |
| Transfers out | | (1) | | 1 |
| Proceeds from issuance of debt | 2,811 | 10,812 | 11,585 | 773 |
| Deposit with escrow agent | | (7,259) | (7,259) | |
| **Total Other Financing Sources (Uses)** | 2,811 | 3,552 | 6,005 | 2,453 |
| **Net Change in Fund Balance** | | | 6,644 | 6,644 |
| **Fund Balance at Beginning of Year** | 6,108 | 6,108 | 6,108 | |
| **Fund Balance at End of Year** | $ 6,108 | 6,108 | 12,752 | 6,644 |

COUNTY OF CONTRA COSTA

**BUDGETARY COMPARISON SCHEDULE**

**PENSION BOND DEBT SERVICE FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Use of money and property | $ 1,063 | 618 | 827 | 209 |
| Other revenue | 968 | 977 | 977 | |
| **Total Revenues** | 2,031 | 1,595 | 1,804 | 209 |
| **Expenditures:** | | | | |
| Current: | | | | |
| General Government | 1,011 | 11 | 4 | 7 |
| Public Assistance | | | | |
| Debt service: | | | | |
| Principal | 16,739 | 18,009 | 18,000 | 9 |
| Refunding bond issuance cost | | | | |
| Interest | 21,682 | 35,482 | 35,463 | 19 |
| **Total Expenditures** | 39,432 | 53,502 | 53,467 | 35 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (37,401) | (51,907) | (51,663) | 244 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers in | 24,572 | 35,488 | 30,359 | (5,129) |
| Transfers out | | | | |
| **Total Other Financing Sources (Uses)** | 24,572 | 35,488 | 30,359 | (5,129) |
| **Net Change in Fund Balance** | (12,829) | (16,419) | (21,304) | (4,885) |
| **Fund Balance at Beginning of Year** | 16,420 | 16,420 | 16,420 | |
| **Fund Balance at End of Year** | $ 3,591 | 1 | (4,884) | (4,885) |

# CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition of land or acquisition and construction of major facilities other than those financed in the proprietary funds.

## COUNTY FACILITIES FUNDS

These funds are used to report improvements to Juvenile Hall facilities and other miscellaneous capital projects.

## ASSESSMENT DISTRICTS FUNDS

These funds were established to account for all the capital improvement projects constructed using assessment district funds.

COUNTY OF CONTRA COSTA
**COMBINING BALANCE SHEET**
**CAPITAL PROJECTS FUNDS**
JUNE 30, 2004
(In Thousands)

| | County Facilities | Assessment Districts | Total |
|---|---|---|---|
| **Assets:** | | | |
| Cash and investments | $ 144 | 3,960 | 4,104 |
| Due from other funds | | | |
| **Total Assets** | $ 144 | 3,960 | 4,104 |
| **Liabilites and Fund Balances:** | | | |
| **Liabilities:** | | | |
| Accounts payable and accrued liabilities | $ 78 | 1 | 79 |
| Due to other funds | | | |
| **Total Liabilities** | 78 | 1 | 79 |
| **Fund balances:** | | | |
| Unreserved: | | | |
| Undesignated | 66 | 3,959 | 4,025 |
| **Total Fund Balances** | 66 | 3,959 | 4,025 |
| **Total Liabilities and Fund Balances** | $ 144 | 3,960 | 4,104 |

COUNTY OF CONTRA COSTA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**CAPITAL PROJECTS FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | County Facilities | Assessment Districts | Total |
|---|---|---|---|
| **Revenues:** | | | |
| Use of money and property | $ 1 | 30 | 31 |
| **Total Revenues** | 1 | 30 | 31 |
| **Expenditures:** | | | |
| Debt service: | | | |
| Interest | 1 | | 1 |
| **Total Expenditures** | 1 | | 1 |
| **Net Change in Fund Balance** | | 30 | 30 |
| **Fund Balances at Beginning of Year** | 66 | 3,929 | 3,995 |
| **Fund Balances at End of Year** | $ 66 | 3,959 | 4,025 |

COUNTY OF CONTRA COSTA

**BUDGETARY COMPARISON SCHEDULE**

**COUNTY FACILITIES CAPITAL PROJECTS FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues:** | | | | |
| Use of money and property | $ | | 1 | 1 |
| **Total Revenues** | | | 1 | 1 |
| **Expenditures:** | | | | |
| Debt service: | | | | |
| Interest | 21 | 21 | 1 | 20 |
| **Total Expenditures** | 21 | 21 | 1 | 20 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (21) | (21) | | 21 |
| **Net Change in Fund Balance** | (21) | (21) | | 21 |
| **Fund Balance at Beginning of Year** | 66 | 66 | 66 | |
| **Fund Balance at End of Year** | $ 45 | 45 | 66 | 21 |

## Nonmajor Governmental Fund

# PERMANENT FUND

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs. The county's Permanent Fund is included in the combining financial statements of the nonmajor governmental funds (starting on page 87).

### LIBRARY GIFT PERMANENT FUND

This fund is used to account for principal trust amounts received and related interest income. The interest portion of the fund is used to support the county libraries.

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

# ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is to have the costs (expenses, including depreciation and amortization) of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the county has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

## AIRPORT FUND

This fund was established to account for the financial activities of the Buchanan Field and Byron Airport aviation facilities. Revenues include receipts under rental and lease arrangements involving county airport facilities, and state and federal aid.

## SHERIFF LAW ENFORCEMENT TRAINING CENTER FUND

This fund was established to account for the financial activities of the Sheriff Law Enforcement Training Center. The center provides training to law enforcement personnel from the County Sheriff's Office and other agencies. Revenues include tuition fees paid by the student or law enforcement agency and state aid.

## MAJOR RISK MEDICAL INSURANCE FUND

This fund accounts for operations of the county's participation in the state's Major Risk Medical Insurance Program. The program is designed to provide health insurance to Californians who are unable to obtain coverage on the open market. The Contra Costa Health Plan acts as the fiscal intermediary for the state. The county is not at risk for the costs of services in the program, which is funded through a combination of subscriber premiums and state funding from tobacco tax monies.

COUNTY OF CONTRA COSTA

**COMBINING STATEMENT OF NET ASSETS**

**NONMAJOR ENTERPRISE FUNDS**

JUNE 30, 2004

(In Thousands)

| | Airport | Sheriff Law Enforcement Training Center | Major Risk Medical Insurance | Total |
|---|---|---|---|---|
| **Assets:** | | | | |
| Current assets: | | | | |
| Cash and investments | $ 750 | | 443 | 1,193 |
| Accounts receivable and accrued revenue (net) | 55 | 41 | 214 | 310 |
| Inventories | 6 | | | 6 |
| Due from other funds | 7 | 41 | 1 | 49 |
| Prepaid items and deposits | 41 | 14 | | 55 |
| Total current assets | 859 | 96 | 658 | 1,613 |
| Capital assets: | | | | |
| Nondepreciable | 10,544 | | | 10,544 |
| Depreciable, net | 15,329 | 427 | | 15,756 |
| **Total Assets** | $ 26,732 | 523 | 658 | 27,913 |
| **Liabilities and Net Assets** | | | | |
| **Liabilities:** | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | $ 360 | 67 | 25 | 452 |
| Accrued interest | 21 | | | 21 |
| Due to other funds | 82 | 779 | 4 | 865 |
| Current portion of long-term debt | 392 | 4 | | 396 |
| Total current liabilities | 855 | 850 | 29 | 1,734 |
| Noncurrent portion of long-term liabilities: | | | | |
| Capital lease obligations | 1,254 | | | 1,254 |
| Compensated absences | 64 | 34 | | 98 |
| Bonds and notes payable | 313 | | | 313 |
| Total noncurrent portion of long-term liabilities | 1,631 | 34 | | 1,665 |
| **Total Liabilities** | 2,486 | 884 | 29 | 3,399 |
| **Net Assets:** | | | | |
| Invested in capital assets, net of related debt | 23,922 | 427 | | 24,349 |
| Unrestricted | 324 | (788) | 629 | 165 |
| **Total Net Assets** | 24,246 | (361) | 629 | 24,514 |
| **Total Liabilities and Net Assets** | $ 26,732 | 523 | 658 | 27,913 |

COUNTY OF CONTRA COSTA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**

**NONMAJOR ENTERPRISE FUNDS**

FOR THE YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Airport | Sheriff Law Enforcement Training Center | Major Risk Medical Insurance | Total |
|---|---|---|---|---|
| **Operating Revenues:** | | | | |
| Use of money and property | $ 3,064 | | 9 | 3,073 |
| Charges for services | 1 | 705 | 1,714 | 2,420 |
| Other revenue | 194 | 1 | | 195 |
| **Total Operating Revenues** | 3,259 | 706 | 1,723 | 5,688 |
| **Operating Expenses:** | | | | |
| Salaries and employee benefits | 1,252 | 989 | | 2,241 |
| Services and supplies | 725 | 336 | 1,101 | 2,162 |
| Other charges | 659 | 80 | | 739 |
| Expenditure transfers | | | | |
| Depreciation | 1,934 | 30 | | 1,964 |
| **Total Operating Expenses** | 4,570 | 1,435 | 1,101 | 7,106 |
| Operating income (loss) | (1,311) | (729) | 622 | (1,418) |
| **Nonoperating Revenues (Expenses):** | | | | |
| State and federal grants | 1,069 | 392 | | 1,461 |
| Investment income | 1 | | | 1 |
| Interest expense | (98) | | (4) | (102) |
| **Total Nonoperating Revenue (Expenses)** | 972 | 392 | (4) | 1,360 |
| **Income/Loss Before Transfers** | (339) | (337) | 618 | (58) |
| Transfers in | | 1,227 | | 1,227 |
| Transfers out | (72) | (32) | | (104) |
| **Change in Net Assets** | (411) | 858 | 618 | 1,065 |
| **Total Net Assets at Beginning of Year** | 24,657 | (1,219) | 11 | 23,449 |
| **Total Net Assets at End of Year** | $ 24,246 | (361) | 629 | 24,514 |

COUNTY OF CONTRA COSTA
**COMBINING STATEMENT OF CASH FLOWS**
**NONMAJOR ENTERPRISE FUNDS**
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(In Thousands)

| | Airport | Sheriff Law Enforcement Training Center | Major Risk Medical Insurance | Total |
|---|---|---|---|---|
| **Cash Flows from Operating Activities:** | | | | |
| Cash received from customers/other funds | $ 3,299 | 703 | 2,173 | 6,175 |
| Cash payment to suppliers for goods and services | (1,381) | (513) | (1,588) | (3,482) |
| Cash payment to employees for services | (1,230) | (972) | | (2,202) |
| **Net Cash Provided by Operating Activities** | 688 | (782) | 585 | 491 |
| **Cash flows from Noncapital Financing Activities:** | | | | |
| State and federal grants | 1,069 | 392 | | 1,461 |
| Transfers received | | 1,227 | | 1,227 |
| Transfers paid | (72) | (32) | | (104) |
| Due to other funds | | (775) | (138) | (913) |
| **Net Cash Provided by (Used for) Noncapital Financing Activities** | 997 | 812 | (138) | 1,671 |
| **Cash Flows from Capital and Related Financing Activities** | | | | |
| Principal paid on bonds and certificates | (64) | | | (64) |
| Acquisition and construction of capital assets | (1,233) | (30) | | (1,263) |
| Interest paid | (120) | | (4) | (124) |
| Lease purchase obligation principal payment | (333) | | | (333) |
| **Net Cash Used in Capital and Related Financing Activities** | (1,750) | (30) | (4) | (1,784) |
| **Cash Flows from Investing Activities:** | | | | |
| Interest received on investments | 1 | | | 1 |
| **Net Cash Provided by (Used in) Investing Activities** | 1 | | | 1 |
| **Net Increase in Cash and Cash Equivalents** | (64) | | 443 | 379 |
| **Cash and Cash Equivalents at Beginning of Year** | 814 | | | 814 |
| **Cash and Cash Equivalents at End of Year** | $ 750 | | 443 | 1,193 |
| **Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:** | | | | |
| Operating loss | $ (1,311) | (729) | 622 | (1,418) |
| Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities: | | | | |
| Depreciation | 1,934 | 30 | | 1,964 |
| Changes in operating assets and liabilities: | | | | |
| Decrease (increase) in: | | | | |
| Accounts receivable and accrued revenue | 44 | (21) | 451 | 474 |
| Due from other funds | (4) | 18 | (1) | 13 |
| Prepaid items and deposits | (16) | 14 | | (2) |
| Increase (decrease) in: | | | | |
| Accounts payable and accrued liabilities | 81 | 9 | (484) | (394) |
| Employee benefits payable | 13 | 10 | | 23 |
| Due to other funds | (62) | (120) | (3) | (185) |
| Compensated absences | 9 | 7 | | 16 |
| **Net Cash Provided by (Used in) Operating Activities** | $ 688 | (782) | 585 | 491 |
| **Noncash capital financing activities (Airport):** | | | | |
| Accrued interest | $ 4 | | | 4 |
| Debt amortization | 4 | | | 4 |

# INTERNAL SERVICE FUNDS

## SELF-INSURANCE FUNDS

These funds are established to account for administrative costs and for payments of claims under the various insurance programs. Revenues are primarily premiums paid by other operating funds and interest on investments. The insurance programs are:

Employee Dental Insurance
Long-Term Disability Insurance (Management Employees)
Workers' Compensation Insurance

- County General
- Fire Protection

Automotive Liability Insurance
Public (General) Liability Insurance
State Unemployment Insurance
Medical Liability Insurance
Special District Property Insurance

COUNTY OF CONTRA COSTA
**COMBINING BALANCE SHEET**
**INTERNAL SERVICE FUNDS**
JUNE 30, 2004
(In Thousands)

| | Employee Dental Insurance | Long-Term Disability Insurance | Workers' Compensation Insurance County General |
|---|---|---|---|
| **Assets:** | | | |
| Cash and investments | $ 2,217 | 2,620 | 27,431 |
| Accounts receivable and accrued revenue (net) | | 169 | 1,663 |
| Due from other funds | 688 | 1 | |
| **Total Assets** | $ 2,905 | 2,790 | 29,094 |
| **Liabilities and Equity:** | | | |
| **Liabilities:** | | | |
| Accounts payable and accrued liabilities | | | |
| Due to other funds | $ 48 | 23 | 821 |
| Claims payable: | | | |
| Current | 472 | 361 | 20,680 |
| Noncurrent | | 52 | 63,720 |
| **Total Liabilities** | 520 | 436 | 85,221 |
| **Net Assets:** | | | |
| Unrestricted net assets | 2,385 | 2,354 | (56,127) |
| **Total Net Assets** | 2,385 | 2,354 | (56,127) |
| **Total Liabilities and Net Assets** | $ 2,905 | 2,790 | 29,094 |

| Workers' Compensation Insurance Fire Protection | Automotive Liability Insurance | Public Liability Insurance | State Unemployment Insurance | Medical Liability Insurance | Special District Property Insurance | Total |
|---|---|---|---|---|---|---|
| 3,796 | 2,155 | 28,726 | 2,756 | 5,207 | 717 | 75,625 |
| 148 | | 12 | 87 | | | 2,079 |
| 8 | 59 | 72 | | | | 828 |
| 3,952 | 2,214 | 28,810 | 2,843 | 5,207 | 717 | 78,532 |
| 108 | 14 | 340 | 16 | 48 | 2 | 1,420 |
| 2,676 | 415 | 2,722 | 221 | 1,039 | 2 | 28,588 |
| 9,193 | 1,081 | 17,973 | | 5,101 | | 97,120 |
| 11,977 | 1,510 | 21,035 | 237 | 6,188 | 4 | 127,128 |
| (8,025) | 704 | 7,775 | 2,606 | (981) | 713 | (48,596) |
| (8,025) | 704 | 7,775 | 2,606 | (981) | 713 | (48,596) |
| 3,952 | 2,214 | 28,810 | 2,843 | 5,207 | 717 | 78,532 |

COUNTY OF CONTRA COSTA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**

**INTERNAL SERVICE FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Employee Dental Insurance | Long-Term Disability Insurance | Workers' Compensation Insurance County General |
|---|---|---|---|
| **Operating Revenues:** | | | |
| Charges for services | $ 8,213 | 2,035 | 20,514 |
| **Total Operating Revenues** | 8,213 | 2,035 | 20,514 |
| **Operating Expenses:** | | | |
| Salaries and employee benefits | | | |
| Services and supplies | 486 | 23 | 4,365 |
| Benefit and claim expense | 7,797 | 910 | 37,002 |
| **Total Operating Expenses** | 8,283 | 933 | 41,367 |
| **Operating Income (Loss)** | (70) | 1,102 | (20,853) |
| **Nonoperating Revenues:** | | | |
| Investment income | 15 | 10 | 734 |
| **Income (Loss) Before Transfers** | (55) | 1,112 | (20,119) |
| Transfers in | | | |
| Transfers out | | | |
| **Changes in Net Assets** | (55) | 1,112 | (20,119) |
| **Total Net Assets at Beginning of Year** | 2,440 | 1,242 | (36,008) |
| **Total Net Assets at End of Year** | $ 2,385 | 2,354 | (56,127) |

| Workers' Compensation Insurance Fire Protection | Automotive Liability Insurance | Public Liability Insurance | State Unemployment Insurance | Medical Liability Insurance | Special District Property Insurance | Total |
|---|---|---|---|---|---|---|
| 1,799 | 697 | 1,356 | 995 | | 463 | 36,072 |
| 1,799 | 697 | 1,356 | 995 | | 463 | 36,072 |
| 448 | 110 | 2,725 | 10 | 2,016 | 378 | 10,561 |
| 4,360 | 422 | 6,056 | 546 | 482 | 35 | 57,610 |
| 4,808 | 532 | 8,781 | 556 | 2,498 | 413 | 68,171 |
| (3,009) | 165 | (7,425) | 439 | (2,498) | 50 | (32,099) |
| 68 | | 548 | 15 | | 4 | 1,394 |
| (2,941) | 165 | (6,877) | 454 | (2,498) | 54 | (30,705) |
| | | 2,596 | | 4,000 | | 6,596 |
| (2,941) | 165 | (4,281) | 454 | 1,502 | 54 | (24,109) |
| (5,084) | 539 | 12,056 | 2,152 | (2,483) | 659 | (24,487) |
| (8,025) | 704 | 7,775 | 2,606 | (981) | 713 | (48,596) |

COUNTY OF CONTRA COSTA
**COMBINING STATEMENT OF CASH FLOWS**
**INTERNAL SERVICE FUNDS**
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(In Thousands)

| | Employee Dental Insurance | Long-Term Disability Insurance | Workers' Compensation Insurance County General |
|---|---|---|---|
| **Cash Flows from Operating Activities:** | | | |
| Cash received from customers/other funds | $ 8,208 | 2,031 | 20,479 |
| Cash payment to suppliers for goods and services | (8,282) | (942) | (25,261) |
| **Net Cash Provided by (Used for) Operating Activities** | (74) | 1,089 | (4,782) |
| **Cash Flows from Noncapital Financing Activities:** | | | |
| Transfers received | | | |
| **Net Cash Provided by (Used for) Noncapital Financing Activities** | | | |
| **Cash Flows from Investing Activities:** | | | |
| Interest received on investments | 15 | 10 | 734 |
| **Net Cash Provided by Investing Activities** | 15 | 10 | 734 |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | (59) | 1,099 | (4,048) |
| **Cash and Cash Equivalents at Beginning of Year** | 2,276 | 1,521 | 31,479 |
| **Cash and Cash Equivalents at End of Year** | $ 2,217 | 2,620 | 27,431 |
| **Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:** | | | |
| Operating Income (Loss) | $ (70) | 1,102 | (20,853) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | |
| Changes in operating assets and liabilities: | | | |
| Decrease (increase) in: | | | |
| Accounts receivable and accrued revenue | 8 | (3) | (37) |
| Due from other funds | (13) | (1) | 2 |
| Increase (decrease) in: | | | |
| Accounts payable and accrued liabilities | | (2) | 16,267 |
| Due to other funds | 1 | (7) | (161) |
| **Net Cash Provided by (Used for) Operating Activities** | $ (74) | 1,089 | (4,782) |

| Workers' Compensation Insurance Fire Protection | Automotive Liability Insurance | Public Liability Insurance | State Unemployment Insurance | Medical Liability Insurance | Special District Property Insurance | Total |
|---|---|---|---|---|---|---|
| 2,022 | 691 | 1,289 | 1,005 | | 463 | 36,188 |
| (3,613) | (439) | (6,397) | (552) | (2,959) | (425) | (48,870) |
| (1,591) | 252 | (5,108) | 453 | (2,959) | 38 | (12,682) |
| | | 2,596 | | 4,000 | | 6,596 |
| | | 2,596 | | 4,000 | | 6,596 |
| 68 | | 548 | 15 | | 4 | 1,394 |
| 68 | | 548 | 15 | | 4 | 1,394 |
| (1,523) | 252 | (1,964) | 468 | 1,041 | 42 | (4,692) |
| 5,319 | 1,903 | 30,690 | 2,288 | 4,166 | 675 | 80,317 |
| 3,796 | 2,155 | 28,726 | 2,756 | 5,207 | 717 | 75,625 |
| (3,009) | 165 | (7,425) | 439 | (2,498) | 50 | (32,099) |
| 228 | | 5 | 10 | | | 211 |
| (5) | (6) | (72) | | | | (95) |
| 1,447 | 95 | 2,371 | | (450) | (12) | 19,716 |
| (252) | (2) | 13 | 4 | (11) | | (415) |
| (1,591) | 252 | (5,108) | 453 | (2,959) | 38 | (12,682) |

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

# FIDUCIARY FUNDS

## AGENCY FUNDS

### TAX LOSSES RESERVE

This fund was established as a reserve for all delinquent secured taxes. It accumulates gains from tax sales and specified amounts of penalties and interest collected on delinquent secured taxes to cover possible future losses on the sale of tax-deeded property.

### UNAPPORTIONED TAXES

These funds account for unsecured taxes receivable, delinquent secured taxes, amounts which are impounded because of disputes or litigation and amounts held pending authority for apportionment.

### OTHER AGENCIES

These funds account for assets held by the county for individuals, private organizations and other governmental units. These funds include payroll deduction clearing and collections clearing funds.

COUNTY OF CONTRA COSTA

**STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**

**AGENCY FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| | Balance July 1, 2003 | Additions | Deductions | Balance June 30, 2004 |
|---|---|---|---|---|
| **Tax Losses Reserve:** | | | | |
| **Assets:** | | | | |
| Cash and investments | $ 24,967 | 11,712 | 21,063 | 15,616 |
| Due from other funds | 5,435 | 4,552 | 5,435 | 4,552 |
| **Total Assets** | $ 30,402 | 16,264 | 26,498 | 20,168 |
| **Liabilities:** | | | | |
| Due to other funds | $ 55 | | 55 | |
| Tax loss guarantees | 30,347 | 10,804 | 20,983 | 20,168 |
| **Total Liabilities** | $ 30,402 | 10,804 | 21,038 | 20,168 |
| **Unapportioned Taxes:** | | | | |
| **Assets:** | | | | |
| Accounts receivable | $ 25,854 | 44,649 | 37,918 | 32,585 |
| Due from other funds | 6,318 | 458,364 | 464,646 | 36 |
| Taxes receivable | 142,023 | 996,226 | 965,476 | 172,773 |
| **Total Assets** | $ 174,195 | 1,499,239 | 1,468,040 | 205,394 |
| **Liabilities:** | | | | |
| Accounts payable | $ 63,622 | 62,837 | 37,572 | 88,887 |
| Due to other funds | 31,589 | 85,246 | 87,481 | 29,354 |
| Unapportioned taxes | 78,984 | 977,384 | 969,215 | 87,153 |
| **Total Liabilities** | $ 174,195 | 1,125,467 | 1,094,268 | 205,394 |
| **Other Agencies:** | | | | |
| **Assets:** | | | | |
| Cash and investments | $ 102,322 | 1,904,725 | 1,875,118 | 131,929 |
| Accounts receivable | 8,435 | 13,980 | 12,476 | 9,939 |
| Due from other funds | 9,987 | 35,772 | 41,837 | 3,922 |
| Prepaid items and deposits | 35 | 2,817 | 2,577 | 275 |
| **Total Assets** | $ 120,779 | 1,957,294 | 1,932,008 | 146,065 |
| **Liabilities:** | | | | |
| Warrants outstanding | $ 36,499 | 895,564 | 889,834 | 42,229 |
| Accounts payable | 4,197 | 777,256 | 774,144 | 7,309 |
| Due to other funds | 13,835 | 30,920 | 35,116 | 9,639 |
| Due to other agencies and districts | 66,248 | 299,951 | 279,311 | 86,888 |
| **Total Liabilities** | $ 120,779 | 2,003,691 | 1,978,405 | 146,065 |

(continued)

**STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**
**AGENCY FUNDS**
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(In Thousands)

| | Balance July 1, 2003 | Additions | Deductions | Balance June 30, 2004 |
|---|---|---|---|---|
| **Totals-Agency Funds:** | | | | |
| **Assets:** | | | | |
| Cash and investments | $ 127,289 | 1,916,437 | 1,896,181 | 147,545 |
| Accounts receivable | 34,289 | 58,629 | 50,394 | 42,524 |
| Due from other funds | 21,740 | 498,688 | 511,918 | 8,510 |
| Taxes receivable | 142,023 | 996,226 | 965,476 | 172,773 |
| Prepaid items and deposits | 35 | 2,817 | 2,577 | 275 |
| **Total Assets** | $ 325,376 | 3,472,797 | 3,426,546 | 371,627 |
| **Liabilities:** | | | | |
| Warrants outstanding | $ 36,499 | 895,564 | 889,834 | 42,229 |
| Accounts payable | 67,819 | 840,093 | 811,716 | 96,196 |
| Due to other funds | 45,479 | 116,166 | 122,652 | 38,993 |
| Unapportioned taxes | 78,984 | 977,384 | 969,215 | 87,153 |
| Tax loss guarantees | 30,347 | 10,804 | 20,983 | 20,168 |
| Due to other agencies and districts | 66,248 | 299,951 | 279,311 | 86,888 |
| **Total Liabilities** | $ 325,376 | 3,139,962 | 3,093,711 | 371,627 |

(concluded)

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

# CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

COUNTY OF CONTRA COSTA

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

**SCHEDULE OF FUNDING SOURCES**

JUNE 30, 2004

(In Thousands)

| | | |
|---|---|---|
| **General Capital Assets:** | | |
| Land | $ | 62,052 |
| Buildings and improvements | | 366,221 |
| Buildings and improvements - lease purchases | | 133,958 |
| Equipment | | 107,053 |
| Equipment - lease purchase | | 4,886 |
| Infrastructure | | 333,632 |
| Construction in progress | | 76,598 |
| **Total Governmental Funds Capital Assets** | $ | 1,084,400 |
| **Investments in Capital Assets from:** | | |
| General obligation bonds | $ | 39,733 |
| Federal grants | | 74,422 |
| State grants | | 79,491 |
| General fund | | 399,285 |
| Special revenue funds | | 487,328 |
| Other government agencies | | 2,590 |
| Gifts | | 1,551 |
| **Total Governmental Funds Capital Assets** | $ | 1,084,400 |

COUNTY OF CONTRA COSTA

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

**SCHEDULE BY FUNCTION AND ACTIVITY**

JUNE 30, 2004

(In Thousands)

| Function and Activity | Total | Land | Buildings & Improve - ments | Buildings & Improvements Lease Purchases | Equipment |
|---|---|---|---|---|---|
| **General Government:** | | | | | |
| Legislative and administrative | $ 508 | | | | 508 |
| Finance | 1,081 | | 9 | | 989 |
| Counsel | 32 | | | | 32 |
| Personnel | 199 | | | | 199 |
| Elections | 1,791 | | | | 1,791 |
| Communications | 8,079 | | 13 | | 7,235 |
| Property management | 23,636 | | 1,092 | 3,094 | 19,191 |
| Plant acquisition | 525,002 | 54,418 | 292,831 | 130,864 | 411 |
| Other general | 7,702 | | | | 6,034 |
| **Total General Government** | 568,030 | 54,418 | 293,945 | 133,958 | 36,390 |
| **Public Protection:** | | | | | |
| Judicial | 2,194 | | | | 2,179 |
| Police protection | 16,080 | 7 | 1,609 | | 12,964 |
| Detention and correction | 35,477 | 1,492 | 30,988 | | 2,997 |
| Fire protection | 52,439 | 2,006 | 20,370 | | 30,063 |
| Flood control | 161,214 | 177 | 24 | | 1,333 |
| Protective inspection | 2,433 | | | | 2,433 |
| Other protection | 4,407 | | 2,646 | | 1,761 |
| **Total Public Protection** | 274,244 | 3,682 | 55,637 | | 53,730 |
| **Health and Sanitation:** | | | | | |
| Health | 2,129 | | 6 | | 2,123 |
| Hospital care | 773 | 141 | | | 588 |
| Sanitation | 988 | | 924 | | 64 |
| **Total Health and Sanitation** | 3,890 | 141 | 930 | | 2,775 |
| **Public Assistance:** | | | | | |
| Assistance administration | 3,739 | | | | 3,643 |
| Aid programs | 580 | | | | 264 |
| Veteran's services | 7 | | | | 7 |
| Other assistance | 4,832 | 2,824 | 1,023 | | 969 |
| **Total Public Assistance** | 9,158 | 2,824 | 1,023 | | 4,883 |
| **Education:** | | | | | |
| Library services | 7,534 | 349 | 5,837 | | 1,348 |
| Agricultural education | 6 | | | | 6 |
| **Total Education** | 7,540 | 349 | 5,837 | | 1,354 |
| **Public Ways and Facilities:** | | | | | |
| Public ways | 216,490 | 141 | 4,323 | | 7,896 |
| **Total Public Ways and Facilities** | 216,490 | 141 | 4,323 | | 7,896 |
| **Recreation and Cultural Services:** | | | | | |
| Veteran's memorial buildings | 25 | | | | 25 |
| Recreation facilities | 5,023 | 497 | 4,526 | | |
| **Total Recreation and Cultural Services** | 5,048 | 497 | 4,526 | | 25 |
| **Total General Capital Assets** | $ 1,084,400 | 62,052 | 366,221 | 133,958 | 107,053 |

| Equipment Lease Purchases | Infrastructure | Construction in Progress |
|---|---|---|
| 83 | | |
| 831 | | |
| 259 | | |
| | | 46,478 |
| 1,668 | | |
| 2,841 | | 46,478 |
| 15 | | |
| 1,500 | | |
| | 141,351 | 18,329 |
| 1,515 | 141,351 | 18,329 |
| 44 | | |
| 44 | | |
| 96 | | |
| 316 | | |
| 16 | | |
| 428 | | |
| 58 | 192,281 | 11,791 |
| 58 | 192,281 | 11,791 |
| 4,886 | 333,632 | 76,598 |

COUNTY OF CONTRA COSTA

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)

| Function and Activity | Balance July 1, 2003 | Additions | Deletions | Transfers | Balance June 30, 2004 |
|---|---|---|---|---|---|
| **General Government:** | | | | | |
| Legislative and administrative | $ 492 | 16 | | | 508 |
| Finance | 1,057 | 94 | (87) | 17 | 1,081 |
| Counsel | 27 | 5 | | | 32 |
| Personnel | 196 | 12 | (9) | | 199 |
| Elections | 1,849 | 78 | (212) | 76 | 1,791 |
| Communications | 4,397 | 2,632 | (47) | 1,097 | 8,079 |
| Property management | 24,508 | 3,157 | (3,462) | (567) | 23,636 |
| Plant acquisition | 498,667 | 26,467 | (132) | | 525,002 |
| Other general | 7,773 | 1,342 | (1,390) | (23) | 7,702 |
| **Total General Government** | 538,966 | 33,803 | (5,339) | 600 | 568,030 |
| **Public Protection:** | | | | | |
| Judicial | 1,669 | 715 | (122) | (68) | 2,194 |
| Police protection | 15,885 | 374 | (241) | 62 | 16,080 |
| Detention and correction | 35,232 | 287 | (43) | 1 | 35,477 |
| Fire protection | 50,475 | 3,351 | (1,387) | | 52,439 |
| Flood control | 154,940 | 6,500 | (370) | 144 | 161,214 |
| Protective inspection | 2,333 | 173 | (81) | 8 | 2,433 |
| Other protection | 4,839 | 484 | (924) | 8 | 4,407 |
| **Total Public Protection** | 265,373 | 11,884 | (3,168) | 155 | 274,244 |
| **Health and Sanitation:** | | | | | |
| Health | 2,069 | 74 | (54) | 40 | 2,129 |
| Hospital care | 745 | 24 | (32) | 36 | 773 |
| Sanitation | 1,006 | | (18) | | 988 |
| **Total Health and Sanitation** | 3,820 | 98 | (104) | 76 | 3,890 |
| **Public Assistance:** | | | | | |
| Assistance administration | 4,717 | 180 | (901) | (257) | 3,739 |
| Aid programs | 1,083 | 26 | (11) | (518) | 580 |
| Veteran's services | 7 | | | | 7 |
| Other assistance | 4,110 | 1,025 | (303) | | 4,832 |
| **Total Public Assistance** | 9,917 | 1,231 | (1,215) | (775) | 9,158 |
| **Education:** | | | | | |
| Library services | 7,486 | 92 | (125) | 81 | 7,534 |
| Agricultural education | 6 | | | | 6 |
| **Total Education** | 7,492 | 92 | (125) | 81 | 7,540 |
| **Public Ways and Facilities:** | | | | | |
| Public ways | 203,281 | 14,923 | (1,577) | (137) | 216,490 |
| **Total Public Ways and Facilities** | 203,281 | 14,923 | (1,577) | (137) | 216,490 |
| **Recreation and Cultural Services:** | | | | | |
| Veteran's memorial buildings | 25 | | | | 25 |
| Recreation facilities | 4,841 | 182 | | | 5,023 |
| **Total Recreation and Cultural Services** | 4,866 | 182 | | | 5,048 |
| **Total Governmental Funds Capital Assets** | $ 1,033,715 | 62,213 | (11,528) | | 1,084,400 |

# Statistical Section

COUNTY OF CONTRA COSTA

**GOVERNMENT-WIDE EXPENSES BY FUNCTION**

**GOVERNMENTAL ACTIVITIES**

LAST TWO FISCAL YEARS

(In Thousands)

| Fiscal Year Ended June 30 | General Government | Public Protection | Health and Sanitation | Public Assistance | Education | Public Ways and Facilities | Recreation and Culture | Interest on Debt | Total |
|---|---|---|---|---|---|---|---|---|---|
| 2003 | $ 91,367 | 403,297 | 209,772 | 372,499 | 18,822 | 58,886 | 875 | 33,029 | 1,188,547 |
| 2004 | 103,796 | 421,780 | 220,135 | 391,906 | 20,217 | 56,983 | 1,294 | 48,072 | 1,264,183 |

COUNTY OF CONTRA COSTA
**GOVERNMENT-WIDE REVENUES**
**GOVERNMENTAL ACTIVITIES**
LAST TWO FISCAL YEARS
(In Thousands)

| Fiscal Year Ended June 30 | Program Revenues | | | General Revenues | | | | |
|---|---|---|---|---|---|---|---|---|
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Taxes | Grants/ Contributions Not Restricted | Investment Earnings | Other | Total |
| 2003 | $ 277,375 | 538,684 | 12,332 | 256,920 | 83,035 | 18,347 | 36,140 | 1,222,833 |
| 2004 | 307,580 | 540,138 | 6,124 | 276,712 | 69,341 | 13,336 | 35,815 | 1,249,046 |

COUNTY OF CONTRA COSTA

**GENERAL COUNTY REVENUES BY SOURCE**

LAST TEN FISCAL YEARS

(In Thousands)

| Fiscal Year Ended June 30 | Taxes | Licenses, Permits & Franchise Fees | Fines, Forfeitures and Penalties | Use of Money and Property | Inter-governmental | Charges for Services | Other | Total |
|---|---|---|---|---|---|---|---|---|
| 1995 | $ 167,185 | 13,332 | 21,306 | 30,600 | 478,350 | 140,354 | 14,923 | 866,050 |
| 1996 | 179,431 | 14,569 | 20,477 | 33,903 | 470,211 | 130,087 | 21,360 | 870,038 |
| 1997 | 184,805 | 14,265 | 17,343 | 35,457 | 469,257 | 127,208 | 25,585 | 873,920 |
| 1998 | 179,331 | 14,194 | 16,249 | 42,168 | 471,208 | 130,468 | 19,844 | 873,462 |
| 1999 | 192,915 | 16,221 | 17,088 | 40,649 | 502,908 | 145,210 | 27,283 | 942,274 |
| 2000 | 204,383 | 20,395 | 19,000 | 37,956 | 564,289 | 169,240 | 35,020 | 1,050,283 |
| 2001 | 296,644 | 25,749 | 18,296 | 43,632 | 490,842 | 188,545 | 27,166 | 1,090,874 |
| 2002 | 322,635 | 35,277 | 18,525 | 23,764 | 545,724 | 196,588 | 94,280 | 1,236,793 |
| 2003 | 343,321 | 37,748 | 18,233 | 16,154 | 547,651 | 219,894 | 125,090 | 1,308,091 |
| 2004 | 349,387 | 38,600 | 31,701 | 11,942 | 542,929 | 237,274 | 127,341 | 1,339,174 |

NOTE: Includes all government fund types.

COUNTY OF CONTRA COSTA

**GENERAL COUNTY EXPENDITURES BY FUNCTION**

LAST TEN FISCAL YEARS

(In Thousands)

| Fiscal Year Ended June 30 | General Government | Public Protection | Health & Sanitation | Public Assistance | Education | Public Ways & Facilities | Debt Service & Other | Total |
|---|---|---|---|---|---|---|---|---|
| 1995 | $ 69,828 | 270,099 | 157,787 | 293,294 | 9,394 | 35,336 | 80,156 | 915,894 |
| 1996 | 84,137 | 257,933 | 138,243 | 286,457 | 12,878 | 39,536 | 72,515 | 891,699 |
| 1997 | 79,195 | 272,415 | 148,004 | 272,163 | 11,439 | 32,566 | 65,904 | 881,686 |
| 1998 | 85,786 | 266,707 | 161,532 | 268,633 | 11,774 | 33,071 | 76,088 | 903,591 |
| 1999 | 108,963 | 287,538 | 170,806 | 289,570 | 12,828 | 45,855 | 72,385 | 987,945 |
| 2000 | 101,772 | 307,260 | 181,998 | 302,690 | 14,216 | 50,508 | 84,363 | 1,042,807 |
| 2001 | 106,380 | 325,821 | 191,183 | 294,317 | 14,589 | 54,611 | 79,084 | 1,065,985 |
| 2002 | 130,351 | 378,011 | 218,376 | 337,673 | 16,367 | 88,830 | 95,164 | 1,264,772 |
| 2003 | 135,197 | 426,662 | 247,899 | 383,360 | 18,414 | 79,119 | 89,244 | 1,379,895 |
| 2004 | 134,610 | 438,940 | 258,035 | 400,873 | 19,548 | 82,736 | 83,176 | 1,417,918 |

NOTE: Includes all governmental fund types. Health and Sanitation includes transfer to the County Hospital and HMO Enterprise Funds in constant dollars ($21,454,000 for fiscal year 2003-2004). Health and Sanitation amounts for fiscal years ended June 30, 1997-2003 have been revised to include the transfer that were previsouly omitted.

COUNTY OF CONTRA COSTA

**GENERAL COUNTY REVENUES BY SOURCE - CONSTANT DOLLARS (1)(2)**

LAST TEN FISCAL YEARS

(In Thousands)

| Fiscal Year Ended June 30 | Taxes | Licenses, Permits & Franchise Fees | Fines, Forfeitures and Penalties | Use of Money and Property | Inter-governmental | Charges For Services | Other | Total |
|---|---|---|---|---|---|---|---|---|
| 1995 | $ 111,290 | 8,875 | 14,183 | 20,369 | 318,422 | 93,429 | 9,934 | 576,502 |
| 1996 | 117,301 | 9,524 | 13,387 | 22,164 | 307,394 | 85,043 | 13,964 | 568,777 |
| 1997 | 117,287 | 9,053 | 11,007 | 22,503 | 297,815 | 80,733 | 16,238 | 554,636 |
| 1998 | 110,087 | 8,713 | 9,975 | 25,886 | 289,262 | 80,091 | 12,182 | 536,196 |
| 1999 | 114,083 | 9,593 | 10,105 | 24,038 | 297,403 | 85,872 | 16,134 | 557,228 |
| 2000 | 115,962 | 11,572 | 10,780 | 21,535 | 320,164 | 96,023 | 19,870 | 595,906 |
| 2001 | 159,332 | 13,830 | 9,827 | 23,435 | 263,638 | 101,270 | 14,591 | 585,923 |
| 2002 | 173,292 | 18,948 | 9,950 | 12,764 | 293,116 | 105,590 | 50,639 | 664,299 |
| 2003 | 175,720 | 19,320 | 9,332 | 8,268 | 280,300 | 112,547 | 64,024 | 669,511 |
| 2004 | 177,160 | 19,572 | 16,074 | 6,055 | 275,297 | 120,312 | 64,569 | 679,039 |

NOTES: (1) Includes all governmental fund types.

(2) The information for the years 1995 through 2004 has been adjusted using the average Consumer Price Index-Urban for each year with a base point of December 1983 equal to 100.

COUNTY OF CONTRA COSTA

**GENERAL COUNTY EXPENDITURES BY FUNCTION - CONSTANT DOLLARS (1) (2)**

LAST TEN FISCAL YEARS

(In Thousands)

| Fiscal Year Ended June 30 | General Government | Public Protection | Health & Sanitation | Public Assistance | Education | Public Ways & Facilities | Debt Service & Other | Total |
|---|---|---|---|---|---|---|---|---|
| 1995 | $ 46,482 | 179,796 | 105,034 | 195,236 | 6,253 | 23,522 | 53,357 | 609,680 |
| 1996 | 55,003 | 168,620 | 90,375 | 187,268 | 8,419 | 25,846 | 47,406 | 582,937 |
| 1997 | 50,261 | 172,889 | 93,931 | 172,729 | 7,260 | 20,668 | 41,826 | 559,564 |
| 1998 | 52,662 | 163,724 | 99,160 | 164,907 | 7,228 | 20,301 | 46,708 | 554,690 |
| 1999 | 64,437 | 170,040 | 101,009 | 171,242 | 7,586 | 27,117 | 42,806 | 584,237 |
| 2000 | 57,743 | 174,332 | 103,261 | 171,739 | 8,066 | 28,657 | 47,866 | 591,664 |
| 2001 | 57,138 | 175,003 | 102,687 | 158,082 | 7,836 | 29,332 | 42,477 | 572,555 |
| 2002 | 70,013 | 203,035 | 113,856 | 181,369 | 8,791 | 47,712 | 51,114 | 675,890 |
| 2003 | 69,197 | 218,375 | 128,060 | 196,213 | 9,425 | 40,495 | 45,677 | 707,442 |
| 2004 | 68,255 | 222,568 | 130,839 | 203,266 | 9,912 | 41,952 | 42,175 | 718,967 |

NOTES:

(1) Includes all governmental fund types. Health and Sanitation includes transfer to the County Hospital and HMO Enterprise Funds in constant dollars ($21,454,000 for fiscal year 2003-2004). Health and Sanitation amounts for fiscal years ended June 30, 1997-2003 have been revised to include the transfer that were previsouly omitted.

(2) The information for the years 1995 through 2004 has been adjusted using the average Consumer Price Index-Urban for each year with a base point of December 1983 equal to 100.

COUNTY OF CONTRA COSTA

**ASSESSED VALUE OF TAXABLE PROPERTY (1)**

LAST TEN FISCAL YEARS

(In Thousands)

| Fiscal Year Ended June 30 | Assessed Value | | | | | Net Increase | |
|---|---|---|---|---|---|---|---|
| | Real Property | Personal Property | Total | Exemptions | Assessed Value of Taxable Property | Amount | Per-centage |
| 1995 | $ 63,992,943 | $ 2,406,789 | $ 66,399,732 | $ 1,105,367 | $ 65,294,365 | $ 1,866,669 | 2.94 % |
| 1996 | 65,949,619 | 2,417,931 | 68,367,550 | 1,221,088 | 67,146,462 | 1,852,097 | 2.84 |
| 1997 | 67,846,683 | 2,657,824 | 70,504,507 | 1,262,407 | 69,242,100 | 2,095,638 | 3.12 |
| 1998 | 69,194,267 | 2,513,679 | 71,707,946 | 1,393,145 | 70,314,801 | 1,072,701 | 1.55 |
| 1999 | 72,525,051 | 2,728,990 | 75,254,041 | 1,554,486 | 73,699,555 | 3,384,754 | 4.81 |
| 2000 | 77,475,617 | 2,495,049 | 79,970,666 | 1,683,078 | 78,287,588 | 4,588,033 | 6.23 |
| 2001 | 83,329,641 | 2,936,004 | 86,265,645 | 1,637,667 | 84,627,978 | 6,340,390 | 8.10 |
| 2002 | 92,091,316 | 3,350,098 | 95,441,414 | 1,951,214 | 93,490,200 | 8,862,222 | 10.47 |
| 2003 | 99,461,281 | 3,570,777 | 103,032,058 | 2,106,357 | 100,925,701 | 7,435,501 | 7.95 |
| 2004 | 108,071,968 | 3,190,706 | 111,262,674 | 2,190,126 | 109,072,548 | 8,146,847 | 8.07 |

NOTE: (1) Assesed values are those defined under California Revenue and Taxation Code Sections: 601 and 721 et. seq.

(2) Article XIIIA, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased: a) to reflect annual inflation up to 2 percent; b) to reflect current market value at time of ownership change; and c) to reflect market value for new construction.

COUNTY OF CONTRA COSTA

**GENERAL TAXES LEVIED AND COLLECTED**

LAST TEN FISCAL YEARS

| Fiscal Year Ended June 30 | General Taxes Levied (1) | General Taxes Collected (2) |
|---|---|---|
| 1995 | $ 652,943,650 | $ 652,943,650 |
| 1996 | 671,464,620 | 671,464,620 |
| 1997 | 692,421,000 | 692,421,000 |
| 1998 | 703,148,010 | 703,148,010 |
| 1999 | 736,995,550 | 736,995,550 |
| 2000 | 783,465,430 | 783,465,430 |
| 2001 | 846,279,780 | 846,279,780 |
| 2002 | 934,902,000 | 934,902,000 |
| 2003 | 1,009,257,010 | 1,009,257,010 |
| 2004 | 1,090,725,480 | 1,090,725,480 |

NOTES:

(1) General taxes are calculated at 1 percent of total assessed value less local exemptions.

(2) General County taxes collected are the same as the amounts levied, because the county follows California's alternate method of apportionment (the Teeter Plan). Under the Teeter Plan, all amounts levied are apportioned to the county and other taxing agencies regardless of whether they are collected in the current year or not. A Tax Losses Reserve Agency Fund insures losses resulting when a property is sold for taxes, and the proceeds are insufficient to pay the outstanding amounts due.

COUNTY OF CONTRA COSTA

**SPECIAL ASSESSMENTS LEVIED AND COLLECTED**

LAST TEN FISCAL YEARS

(In Thousands)

| Fiscal Year Ended June 30 | Special Assessments Levied (1) | Special Assessments Collected (2) |
|---|---|---|
| 1995 | $ 4,810 | $ 4,810 |
| 1996 | 3,694 | 3,694 |
| 1997 | 3,232 | 3,232 |
| 1998 | 2,946 | 2,946 |
| 1999 | 3,155 | 3,155 |
| 2000 | 3,028 | 3,028 |
| 2001 | 3,031 | 3,031 |
| 2002 | 2,601 | 2,601 |
| 2003 | 3,147 | 3,147 |
| 2004 | 3,143 | 3,143 |

NOTES:

(1) Special assessments are amounts levied to pay special assessment debt with government commitment.

(2) Special assessments collected are the same as the amounts levied, because the county follows California's alternate method of apportionment (the Teeter Plan). Under the Teeter Plan, all amounts levied are apportioned to the county and other taxing agencies regardless of whether they are collected in the current year or not. A Tax Losses Reserve Agency Fund insures losses resulting when a property is sold for taxes, and the proceeds are insufficient to pay the outstanding amounts due.

COUNTY OF CONTRA COSTA

**PROPERTY TAX RATES (1)**

**DIRECT AND OVERLAPPING GOVERNMENTS**

LAST TEN FISCAL YEARS

| Fiscal Year Ended June 30 | County-wide Rate | County Special Districts | Local Special Districts | Agency Districts | Schools | Cities | Total |
|---|---|---|---|---|---|---|---|
| 1995 | 1.0000 | .0010 | .0071 | .0314 | .0206 | .0147 | 1.0748 |
| 1996 | 1.0000 | .0010 | .0068 | .0338 | .0223 | .0153 | 1.0792 |
| 1997 | 1.0000 | .0010 | .0064 | .0309 | .0263 | .0148 | 1.0794 |
| 1998 | 1.0000 | .0009 | .0063 | .0304 | .0297 | .0142 | 1.0815 |
| 1999 | 1.0000 | .0008 | .0061 | .0262 | .0342 | .0139 | 1.0812 |
| 2000 | 1.0000 | .0006 | .0055 | .0091 | .0334 | .0135 | 1.0621 |
| 2001 | 1.0000 | .0006 | .0047 | .0067 | .0318 | .0131 | 1.0569 |
| 2002 | 1.0000 | .0005 | .0044 | .0074 | .0357 | .0133 | 1.0613 |
| 2003 | 1.0000 | .0005 | .0042 | .0067 | .0360 | .0130 | 1.0604 |
| 2004 | 1.0000 | .0005 | .0029 | .0064 | .0549 | .0134 | 1.0781 |

NOTE: In June 1978, California voters approved Proposition 13 which restricted the taxing power of local government agencies. Individual agencies do not establish their own property tax rates, except for voter approved indebtedness. Instead, a countywide rate is levied with the proceeds distributed to all agencies according to formulas specified by the State legislature. The countywide rate is 1 percent of full cash value ($1 per $100 of taxable assessed valuation). The rates shown above are percentages of assessed valuation.

COUNTY OF CONTRA COSTA

**PROPERTY TAXES**

**DIRECT AND ALL OVERLAPPING GOVERNMENTS**

**LAST TEN FISCAL YEARS**

(In Thousands)

| Fiscal Year Ended June 30 | County | County Special Districts | Local Special Districts | Schools | Cities | Redevelopment Agency | Totals |
|---|---|---|---|---|---|---|---|
| 1995 | $ 97,074 | 75,845 | 147,215 | 364,439 | 132,043 | 58,766 | 875,382 |
| 1996 | 100,025 | 78,752 | 157,323 | 374,506 | 136,030 | 59,137 | 905,773 |
| 1997 | 102,991 | 81,617 | 157,386 | 383,348 | 137,713 | 61,122 | 924,177 |
| 1998 | 103,519 | 84,097 | 169,578 | 390,822 | 134,065 | 62,598 | 944,679 |
| 1999 | 109,632 | 79,057 | 178,329 | 416,242 | 139,426 | 65,433 | 988,119 |
| 2000 | 115,829 | 81,995 | 176,174 | 444,126 | 144,964 | 71,203 | 1,034,291 |
| 2001 | 123,479 | 90,555 | 188,040 | 479,738 | 154,298 | 78,553 | 1,114,663 |
| 2002 | 134,411 | 98,966 | 213,930 | 535,689 | 168,551 | 93,530 | 1,245,077 |
| 2003 | 145,707 | 106,385 | 235,679 | 588,391 | 175,365 | 105,119 | 1,356,646 |
| 2004 | 154,905 | 115,656 | 251,066 | 645,962 | 190,302 | 119,724 | 1,477,615 |

NOTE: This schedule shows the property tax levies by major group of taxing agencies.

COUNTY OF CONTRA COSTA

**PROPERTY TAX LEVIES AND DELINQUENCIES**

LAST TEN FISCAL YEARS

(Dollar Amounts Are In Thousands)

| Fiscal Year Ended June 30 | Total Current Year Tax Levy | Portion of Current Levy Delinquent at June 30 | Percentage of Current Levy Delinquent at June 30 | Total Delinquent Taxes at June 30 for all Years | Tax Losses Reserve Fund at June 30 | Reserve as a Percentage of Delinquent Taxes |
|---|---|---|---|---|---|---|
| 1995 | $ 823,496 | $ 20,640 | 2.51 % | $ 43,588 | $ 24,709 | 56.69 % |
| 1996 | 854,520 | 18,296 | 2.14 | 41,993 | 18,671 | 44.46 |
| 1997 | 869,581 | 18,057 | 2.08 | 42,022 | 17,155 | 40.82 |
| 1998 | 892,581 | 15,548 | 1.74 | 37,200 | 19,509 | 52.44 |
| 1999 | 939,437 | 15,375 | 1.64 | 32,858 | 21,322 | 64.89 |
| 2000 | 981,580 | 15,904 | 1.62 | 31,563 | 22,827 | 72.32 |
| 2001 | 1,062,831 | 16,728 | 1.57 | 31,050 | 24,248 | 78.09 |
| 2002 | 1,187,173 | 20,552 | 1.73 | 33,942 | 27,032 | 79.64 |
| 2003 | 1,293,561 | 25,574 | 1.98 | 34,508 | 30,347 | 87.94 |
| 2004 | 1,402,895 | 27,325 | 1.95 | 40,071 | 20,168 | 50.33 |

COUNTY OF CONTRA COSTA

**RATIO OF NET GENERAL BONDED DEBT**

**TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA (1)**

LAST TEN FISCAL YEARS

(Dollar Amounts Are In Thousands)

| Fiscal Year Ended June 30 | Population | Assessed Value of Taxable Property | Gross Bonded Debt | Debt Service Monies Available | Net Bonded Debt | Ratio Of Net Bonded Debt To Assessed Value | Net Bonded Debt Per Capita[2] |
|---|---|---|---|---|---|---|---|
| 1995 | 883,390 | $ 65,294,365 | $ 373,161 | $ 2,616 | $ 370,545 | 0.567 | $ 419.46 |
| 1996 | 870,724 | 67,146,462 | 366,517 | 2,371 | 364,146 | 0.542 | 418.21 |
| 1997 | 879,206 | 69,242,100 | 360,830 | 2,513 | 358,317 | 0.517 | 407.55 |
| 1998 | 900,688 | 70,314,801 | 352,965 | 2,766 | 350,199 | 0.498 | 388.81 |
| 1999 | 916,403 | 73,699,555 | 317,695 | 2,711 | 314,984 | 0.427 | 343.72 |
| 2000 | 930,025 | 78,287,588 | 304,635 | 3,857 | 300,778 | 0.384 | 323.41 |
| 2001 | 972,103 | 84,627,978 | 299,270 | 10,656 | 288,614 | 0.341 | 296.90 |
| 2002 | 981,555 | 93,490,200 | 282,905 | 7,875 | 275,030 | 0.294 | 280.20 |
| 2003 | 994,908 | 100,925,701 | 588,230 | 19,340 | 568,890 | 0.564 | 571.80 |
| 2004 | 1,003,909 | 109,072,548 | 569,735 | 3,862 | 565,873 | 0.519 | 563.67 |

NOTES: (1) Does not include Public Financing Authority debt, Public Facilites Corporation debt, Redevelopment Agency debt nor Assessment District debt with government commitment.

(2) Not in thousands.

COUNTY OF CONTRA COSTA

**PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS**

LAST TEN FISCAL YEARS

(Dollars In Thousands)

| Fiscal Year Ended June 30 | New Dwelling Units (1) | | Construction Valuation | | Bank Deposits (2) |
|---|---|---|---|---|---|
| | Single Family | Multiple Family | Residential | Non-Residential | |
| 1994 | 3,682 | 230 | $ 583,734 | $ 164,684 | $ 12,804,748 |
| 1995 | 3,137 | 618 | 619,685 | 190,443 | 13,193,883 |
| 1996 | 3,080 | 450 | 584,108 | 170,069 | 14,194,988 |
| 1997 | 3,105 | 381 | 582,793 | 173,055 | 15,210,082 |
| 1998 | 3,144 | 999 | 738,939 | 180,794 | 15,500,256 |
| 1999 | 3,909 | 504 | 852,256 | 235,905 | 17,746,965 |
| 2000 | 3,692 | 1,071 | 841,990 | 234,752 | 19,744,740 |
| 2001 | 4,451 | 1,061 | 984,236 | 403,641 | 19,042,604 |
| 2002 | 3,848 | 800 | 952,507 | 328,854 | 16,267,338 |
| 2003 | 4,753 | 972 | 1,275,245 | 340,959 | 17,556,360 |
| 2004 | 5,063 | 820 | 1,444,739 | 332,879 | 20,949,947 |

Source: (1) Economic Sciences Corp: 1994-2000, US Census Bureau 2001-2004

(2) "All Institution Deposits", Federal Deposit Insurance Corporation.

Assessed Value of Taxable Property

| Residential | Commercial | Industrial | Land | Total |
|---|---|---|---|---|
| $ 42,295,192 | $ 7,602,074 | $ 12,357,698 | $ 1,172,732 | $ 63,427,696 |
| 43,971,060 | 7,556,205 | 12,591,768 | 1,175,332 | 65,294,365 |
| 45,312,035 | 7,448,151 | 13,281,211 | 1,105,065 | 67,146,462 |
| 46,568,404 | 8,805,645 | 12,775,064 | 1,092,987 | 69,242,100 |
| 47,836,713 | 9,456,047 | 11,924,385 | 1,097,656 | 70,314,801 |
| 50,500,004 | 9,865,342 | 12,187,476 | 1,146,733 | 73,699,555 |
| 54,364,322 | 10,563,204 | 12,026,728 | 1,333,334 | 78,287,588 |
| 59,629,822 | 11,590,814 | 11,955,053 | 1,452,289 | 84,627,978 |
| 65,655,065 | 12,667,758 | 13,503,954 | 1,663,423 | 93,490,200 |
| 71,818,729 | 13,513,951 | 13,645,155 | 1,947,866 | 100,925,701 |
| 79,612,053 | 13,950,379 | 13,743,141 | 1,756,068 | 109,061,641 |

COUNTY OF CONTRA COSTA

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES (2)**

LAST TEN FISCAL YEARS

(Dollar Amounts Are in Thousands)

| Fiscal Year Ended June 30 | Principal | Interest | Total Debt Service | Total General Expenditures (1) | Ratio Of Debt Service To Total General Expenditures |
|---|---|---|---|---|---|
| 1995 | $ 1,278 | $ 22,338 | $ 23,616 | $ 915,893 | .0258 |
| 1996 | 4,000 | 22,435 | 26,435 | 891,699 | .0296 |
| 1997 | 5,703 | 22,242 | 27,945 | 881,686 | .0317 |
| 1998 | 7,475 | 21,952 | 29,427 | 903,591 | .0326 |
| 1999 | 9,370 | 21,539 | 30,909 | 987,945 | .0313 |
| 2000 | 11,325 | 20,952 | 32,277 | 1,042,807 | .0310 |
| 2001 | 15,730 | 18,330 | 34,060 | 1,065,985 | .0320 |
| 2002 | 16,365 | 19,439 | 35,804 | 1,264,772 | .0283 |
| 2003 | 17,385 | 18,414 | 35,799 | 1,379,895 | .0259 |
| 2004 | 18,495 | 35,501 | 53,996 | 1,417,900 | .0381 |

NOTES: (1) Includes all governmental fund types. Includes transfers to the County Hospital Enterprise and Health Maintenance Organization (HMO) Enterprise Funds ($42,311,000 for fiscal year 2003-2004). Total General Expenditures for fiscal years ended June 30, 1997-2003 have been revised to include transfers that were previously omitted.

(2) Does not include Public Financing Authority, Public Facilities Corporation, Redevelopment Agency nor Assessment District debt.

COUNTY OF CONTRA COSTA

**COMPUTATION OF LEGAL DEBT MARGIN**

YEAR ENDED JUNE 30, 2004

(In Thousands)

| | | |
|---|---|---|
| Assessed Value of Taxable Property | $ | 109,072,548 |
| Debt Limit Five Percent of Assessed Value (1) | $ | 5,453,627 |
| Amount of Debt Applicable to Debt Limit (2) | | |
| Total Bonded Debt | | 654,030 |
| Less: Assets in Debt Service Funds | | 16,708 |
| Total Amount of Debt Applicable to Debt Limit | | 637,322 |
| Legal Debt Margin | $ | 4,816,305 |

NOTES: (1) California Government Code Section 29909 limits General Obligation Bond indebtedness to five percent of the total assessed valuation of all taxable real and personal property within the county.

(2) Does not include Public Financing Authority or Assessment District debt.

COUNTY OF CONTRA COSTA

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

(Dollar Amounts Are in Thousands)

| | Debt Applicable July 1, 2004 [1] | |
|---|---|---|
| | Percentage | Amount |
| **DIRECT GENERAL FUND OBLIGATION DEBT:** | | |
| Contra Costa County General Fund Obligations | 100 | $ 328,840 |
| Contra Costa County Pension Obligations | 100 | 569,220 |
| **TOTAL DIRECT DEBT** | | 898,060 |
| **OVERLAPPING DEBT:** | | |
| Contra Costa County Board of Education Cert. of Participation | 100 | 2,060 |
| Alameda-Contra Costa Transit District Cert. of Participation | 10.604 | 2,286 |
| East Bay Municipal Water District and Special District No. 1 | 49.586 & 6.081 | 4,406 |
| Acalanes and Liberty Union High School Districts | 100 | 37,377 |
| Martinez Unified School District | 100 | 27,545 |
| Pittsburg Unified School District | 100 | 27,545 |
| Lafayette School District | 100 | 26,840 |
| San Ramon Valley Unified School District & Educ. Facility Corp. | 100 | 19,705 |
| San Ramon Valley Unified School District | 100 | 129,932 |
| Other School Districts' Overlapping Tax and Assessment Debt | .408-100 | 48,267 |
| Antioch Unified School District Certificates of Participation | 100 | 17,631 |
| Other School Districts' General Fund Obligations | .157-100 | 41,244 |
| Cities' Overlapping Tax and Assessment Debt | 100 | 20,710 |
| City of Concord General Fund and Judgment Obligations | 100 | 39,260 |
| City of Richmond General Fund Obligations | 100 | 47,187 |
| City of Richmond Pension Obligations | 100 | 27,945 |
| City of Antioch General Fund Obligations | 100 | 30,819 |
| City of San Ramon General Fund Obligations | 100 | 21,320 |
| Other Cities' General Fund Obligations | 100 | 46,006 |
| East Bay Regional Park District | 45.120 | 69,115 |
| Other Special Districts' Cert. of Participation | 100 | 12,450 |
| Other Special Districts' Overlapping Tax and Assessment Debt | 100 | 515,000 |
| Community Facilities District | 100 | 291,774 |
| 1915 Act Assessment Bonds (Estimate) | 100 | 453,950 |
| West Contra Costa Unified School District | 100 | 315,155 |
| Mt. Diablo Unified School District | 100 | 60,750 |
| Contra Costa Community College District | 100 | 48,500 |
| Brentwood Union School District | 100 | 40,337 |
| Walnut Creek School District | 100 | 25,965 |
| **TOTAL OVERLAPPING DEBT** | | 2,451,081 |

(continued)

COUNTY OF CONTRA COSTA

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

| | | |
|---|---|---|
| **TOTAL GROSS DIRECT AND OVERLAPPING DEBT** | | 3,349,141 |
| Less: East Bay Municipal Utility District (100% Self-Supporting) | | 1,954 |
| **TOTAL NET DIRECT AND OVERLAPPING DEBT** | | $ 3,347,187 |
| 2003 - 2004 Assessed Value of Taxable Property | $ 109,072,548 | |
| Less: Redevelopment Increments | 11,403,834 | |
| Adjusted Assessed Valuation | $ 97,668,714 | |
| Population | 1,003,909 | |

| | Ratio to Full Cash Value (%) | Per Capita[2] |
|---|---|---|
| Direct Debt (Includes County Lease Revenue Obligations) | 0.92 | $ 89 |
| Total Gross Direct and Overlapping Debt | 3.43 | 334 |
| Total Net Direct and Overlapping Debt | 3.43 | 333 |

(concluded)

Source: (1) California Municipal Statitics, Inc. Excludes tax and revenue anticipation notes, revenue, mortgage, revenue and tax allocation bonds and non-bonded capital lease obligations.

(2) Dollars not in thousands.

COUNTY OF CONTRA COSTA
**TEN PRINCIPAL TAXPAYERS**
YEAR ENDED JUNE 30, 2004
(Dollar Amounts Are in Thousands)

| Taxpayer | Type of Business | 2003 - 2004 Secured Assessed Valuation | Percent Of Total Secured Assessed Valuation |
|---|---|---|---|
| Chevron USA | Petroleum Refining | $ 5,014,020 | 4.60 % |
| Tesoro Petroleum | Petroleum Refining | 3,137,757 | 2.88 |
| Equilon Enterprise | Petroleum Refining | 2,586,143 | 2.37 |
| Tosco Corporation | Petroleum Refining | 1,504,771 | 1.38 |
| USS Posco | Steel | 1,226,913 | 1.12 |
| Delta Energy | Utility | 1,082,800 | 0.99 |
| Pacific Gas & Electric | Utility | 863,388 | 0.79 |
| First Walnut Creek Mutual | Housing | 834,446 | 0.77 |
| Southern Bell Company | Utility | 700,499 | 0.64 |
| Union Pacific | Transportation | 558,490 | 0.51 |
| | | $ 17,509,227 | 16.05 % |

Note: Beginning in fiscal year 2003-2004 a refined methodology is used to determine the principal taxpayers. The assessed value of the property of all of a listed taxpayer's component entities are included. Also, ranking is based on assessed valuation which may be different from taxes paid due to special purpose levies paid by some taxpayers.

COUNTY OF CONTRA COSTA

**DEMOGRAPHICS - POPULATION**

| Jurisdiction | Date of Incor - poration | 1960 | 1970 | Special Census 1975 | 1980 | 1990 | 2000 | 2004 |
|---|---|---|---|---|---|---|---|---|
| Antioch | 2/2/1872 | 17,305 | 28,060 | 33,215 | 43,559 | 61,379 | 84,485 | 100,590 |
| Brentwood | 1/1/1948 | 2,186 | 2,649 | 3,662 | 4,434 | 7,515 | 23,090 | 37,060 |
| Clayton | 3/18/1964 | | 1,385 | 1,790 | 4,325 | 7,219 | 11,373 | 10,990 |
| Concord | 2/2/1905 | 36,208 | 85,164 | 94,673 | 103,251 | 110,640 | 114,932 | 124,856 |
| Danville | 7/1/1982 | | | | | 28,675 | 40,484 | 43,243 |
| El Cerrito | 8/20/1917 | 25,437 | 25,190 | 22,950 | 22,731 | 22,684 | 23,874 | 23,398 |
| Hercules | 12/15/1900 | 310 | 252 | 121 | 5,963 | 16,554 | 19,552 | 21,704 |
| Lafayette | 7/22/1968 | | 20,484 | 19,628 | 20,879 | 24,482 | 24,360 | 24,298 |
| Martinez | 4/1/1876 | 9,604 | 16,506 | 18,702 | 22,582 | 33,510 | 37,034 | 36,805 |
| Moraga | 11/13/1974 | | | 14,418 | 15,014 | 14,780 | 17,006 | 16,442 |
| Oakley | 7/1/1999 | | | | | | | 27,530 |
| Orinda | 7/1/1985 | | | | | 16,704 | 17,436 | 17,757 |
| Pinole | 6/25/1903 | 6,064 | 13,266 | 15,337 | 14,253 | 17,147 | 18,657 | 19,540 |
| Pittsburg | 6/22/1903 | 19,062 | 20,651 | 24,347 | 33,034 | 47,190 | 54,383 | 61,481 |
| Pleasant Hill | 11/14/1961 | | 24,610 | 25,398 | 25,124 | 31,115 | 33,169 | 33,618 |
| Richmond | 8/7/1905 | 71,584 | 79,043 | 70,126 | 74,676 | 83,718 | 94,369 | 101,655 |
| San Pablo | 4/26/1948 | 19,687 | 21,461 | 19,392 | 19,750 | 24,709 | 26,827 | 31,033 |
| San Ramon | 7/1/1983 | | | | | 34,170 | 45,704 | 48,609 |
| Walnut Creek | 10/19/1914 | 9,903 | 39,844 | 46,034 | 53,643 | 60,542 | 64,710 | 65,950 |
| Total Incorporated | | 217,350 | 378,565 | 409,793 | 463,218 | 642,733 | 751,445 | 846,559 |
| Unincorporated | | 191,680 | 177,240 | 173,036 | 194,034 | 154,548 | 178,580 | 157,350 |
| TOTAL COUNTY | | 409,030 | 555,805 | 582,829 | 657,252 | 797,281 | 930,025 | 1,003,909 |

Source: 1960-2000 U.S. Censuses; 2001-2004 California Department of Finance.

COUNTY OF CONTRA COSTA
**MISCELLANEOUS STATISTICS**

GEOGRAPHICAL LOCATION: Contra Costa County is located near San Francisco in the Bay Area. It is bordered by San Francisco Bay and San Pablo Bay on the west, by Suisun Bay and the Sacramento and San Joaquin Rivers on the north, by the delta country of San Joaquin County on the east and by Alameda County on the south.

ALTITUDE: Sea level to 3,849 feet

AREA OF COUNTY: 732.6 square miles of land and 73.3 square miles of water.

COUNTY SEAT: Martinez, California

FORM OF GOVERNMENT: General Law County, governed by a five member Board of Supervisors. Contra Costa County is one of the original 27 counties established when California became a state in 1850.

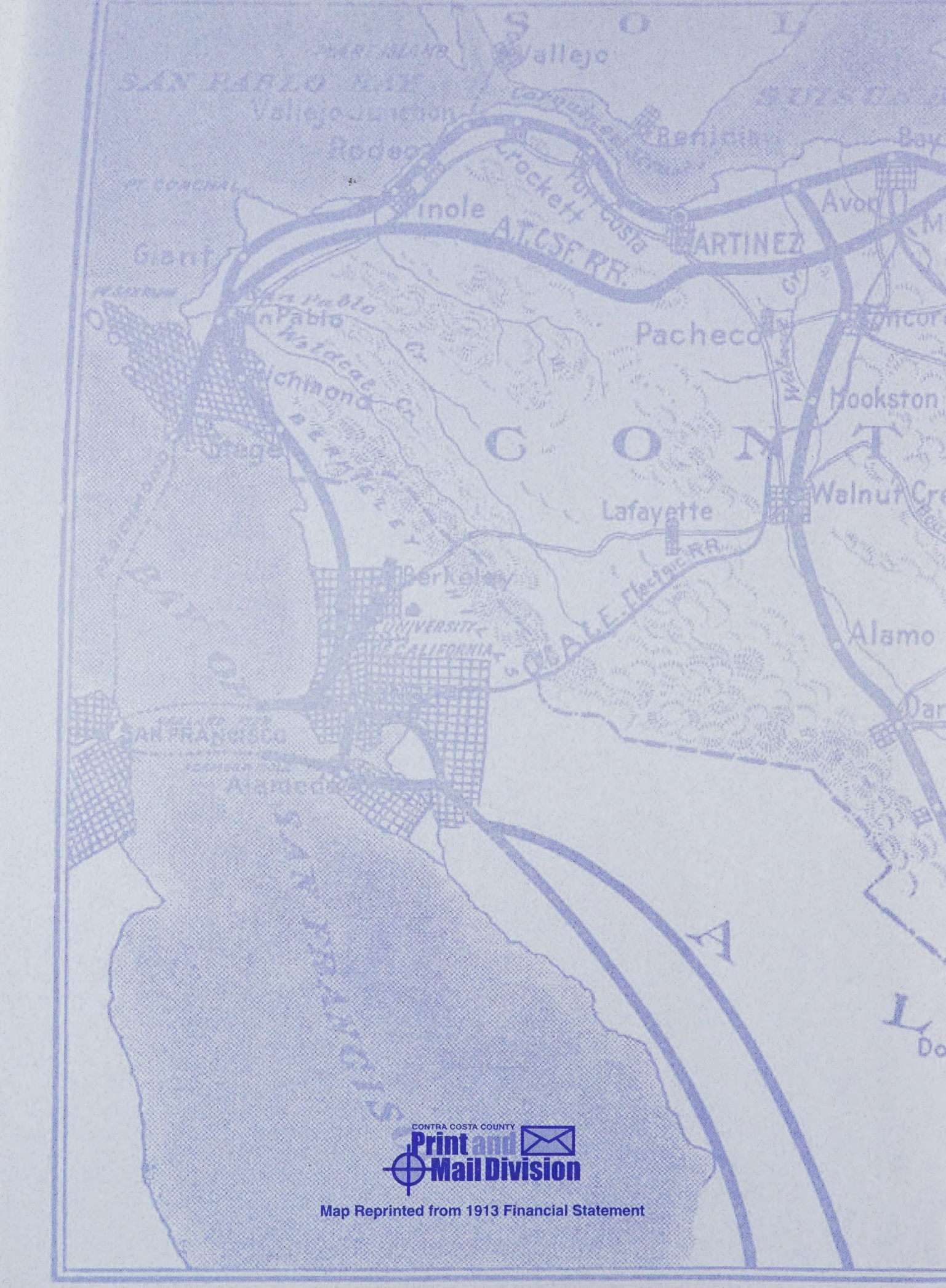
| | OCTOBER 7, 2003 SPECIAL ELECTION | MARCH 2, 2004 PRESIDENTIAL PRIMARY ELECTION |
|---|---|---|
| REGISTERED VOTERS | 444,355 | 453,034 |
| NUMBER VOTING | 320,944 | 250,235 |
| PERCENT VOTING | 72.2% | 55.2% |

ROADS: 658.9 miles of county maintained streets and roads in the unincorporated areas.

COUNTY EMPLOYEES AT JUNE 30:

| YEAR | NUMBER OF EMPLOYEES* | PERCENT OF INCREASE (DECREASE) | NUMBER OF EMPLOYEES PER THOUSAND OF POPULATION |
|---|---|---|---|
| 1999 | 7,749 | 7.4 | 8.5 |
| 2000 | 8,325 | 7.4 | 9.0 |
| 2001 | 8,640 | 3.8 | 8.9 |
| 2002 | 8,779 | 1.6 | 8.9 |
| 2003 | 8,785 | 0.1 | 8.8 |
| 2004 | 8,670 | (1.3) | 8.6 |

*Full-time equivalents, authorized and funded. Does not include employees of the courts or independent fire districts. Source: County Administrator.




Map Reprinted from 1913 Financial Statement